

LETTER

FROM

THE SECRETARY OF THE TREASURY,

TRANSMITTING,

In response to Senate resolution of February 14, 1889, copies of testimony relative to frauds in New York custom-house.

FEBRUARY 20, 1889.—Referred to the Select Committee to Examine the Condition of the Civil Service and ordered to be printed.

TREASURY DEPARTMENT,
February 19, 1889.

SIR: In compliance with the resolution dated the 14th instant, wherein I was directed to furnish to the Senate copies of all the sworn testimony in regard to alleged frauds and undervaluations in the New York custom-house, taken by Special Agent Byrne, and submitted with his report dated November 1, 1887, I have the honor to transmit herewith copies of the papers referred to.

Respectfully, yours,

HUGH S. THOMPSON,
Acting Secretary.

Hon. JOHN J. INGALLS,
President of the Senate pro tempore.

EXHIBITS.

EXHIBIT 99.

THOMAS S. TICE, assistant appraiser, 8th division, being duly sworn, makes the following statement:

I have been assistant appraiser of the 8th division, relating to sugars, since March 8, 1887. As a part of my presumed duties I, upon one occasion near the end of the month of March, detailed, or rather changed, the places of three sugar samplers, who had already been assigned to certain districts by Mr. Bowne, an examiner under me, to other districts, when in a couple of days after I had made the change of detail, Mr. McMullen, the appraiser of the port, notified me in writing that I must replace the men on the districts assigned to them by Mr. Bowne. This official notification I took home, as I did not consider my desk a safe place to keep it, it having only an ordinary lock and key, and I desire to keep that notification for my own protection.

By this letter I understood that I was relieved from any authority and had no right to make details of samples to sugar-sampling districts. I have this notice from the appraiser in my possession still and will let you see it, but will not let you make a copy of it or retain it in your possession without the order of my superior, recognizing at the same time that Special Officer T. Aubrey Byrne and Special Agent H. A. Moore are conducting this investigation by authority and direction of the hon. Secretary of the

Treasury, but think if it included the delivery to them of official papers or documents he would have so noted it in his communication addressed to officers and employés dated July 1st, 1887.

Mr. James Burt visited the sugar division, in the office, and requested to see Examiner Remsen in my presence, and I said certainly. Whereupon he was called in, and Mr. Burt said in substance that he understood Mr. Remsen had been before the sugar investigating committee, and was bound to secrecy, and that he did not want to ask him any improper questions, but he wished to ask him a question or questions, and he then asked him if he knew if anybody had said that he had more influence than anybody else at the appraiser's store, to which Mr. Remsen replied that he could not think of any. A day or two previous to this Mr. Burt was in the 8th division and inquired of me if I knew Special Agent Moore, or whether he was an acquaintance of mine, and I replied that I had never seen him but twice.

Mr. Burt visits the 8th division nearly every day. Mr. Dreyfous and other brokers sometimes send a clerk or messenger, but I have never known Mr. Burt to send anybody. I think Mr. Remsen, the sugar examiner, is an upright and conscientious officer. Mr. Remsen is next to me in authority, as I understand it, in the 8th division, and has sole charge of the sugar room. I believe all sugars are sampled by mark as they are laid out. Mr. McElwee, the examiner, sent me a note complaining of Jas. Maloney, the sampler, detailed to convey samples from docks to appraiser's store, stating that he was in the habit of permitting his son, who was not a sworn officer, to drive the wagon to the appraiser's store, he not accompanying them.

Mr. Bowne, another examiner, later on, or about the same time, called my attention to the same fact, which I reported to the appraiser in writing, I think; and I thereupon ordered the practice stopped, and that under no circumstances should the samples be taken from the docks except in charge of a sworn officer. This order was given under authority of the appraiser. *I have received a letter from Verrinder & Callaghan, 101 Wall street, N. Y., representing a number of sugar-houses, complaining that they did not get the sugar samples belonging to their firms that they were entitled to. I sent the letter to the appraiser, who directed me to investigate it.

I then called in Mr. Jas. Dale, of the sugar-room, in charge of the returnable samples, who informed me they were getting all they were entitled to, and I notified the appraiser that it seemed to be a question of veracity between Mr. Dale and the complainants. It has been the practice among officers and employés of the 8th division to hand Mr. Dale their vouchers to get their checks on the last day of the month. Mr. Trainer or Mr. Johnson mail notices of classification of sugar at close of business each day, except those that are called for, and I think Mr. Burt gets all of his notices by calling for them. I know of no violation of the regulations or irregularity in this procedure. I do not consider it any annoyance to the employés of the 8th division by these visits of the sugar representatives. I have never known but one re-test being asked for. I have never known Mr. Burt to be in the sugar-room, or heard if he has been there, and if he has it was without my consent. This statement will apply to all sugar brokers.

I was informed by the firm of Smith and Shipper that they requested re-sample. The examiner refused re-sample on the ground that the original *re-sample* packages had been destroyed, and the request was refused solely on that account. I have never written an order permitting the removal or melting up of sample or re-sample packages. Samples classified by Dutch standard are not placed in glass bottles and sent to the custom-house. I know of no regulation permitting non-performance of this requirement as per par. 32. I think that all importations of sugars at this port are reported upon the classification sheet. There is no reason, in my opinion, why any material errors should occur in those sheets.

I do not know of any posting, public or otherwise, of damage allowances on sugars, as I have nothing to do with them. I have no knowledge of any regulation permitting or authorizing sugar importers to ask for re-test other than the custom I found prevailing in my division when I took charge. It is a common occurrence for merchants to ask for re-test.

I make this statement in answer to interrogatories propounded to me.

THOMAS S. TICE.

Sworn to and subscribed before me this 6th day of July, A. D. 1887.

T. AUBREY BYRNE,
Spt. Treasury Officer.

*On page — lines marked 1 and 2 were changed with my authority and in my presence.—T. S. Tice.

[The sentence above referred to by Mr. Tice originally read as follows: "I have received a letter from certain representatives of a number of sugar-houses complaining that they did not get the sugar samples belonging to their firms that they were entitled to."—Printer.]

THOS. S. TICE, asst. appraiser of the 8th division, makes the following statement this 7th day of July, 1887:

I have carefully read the sugar sampling regulations of 1883, 1884, 1885, and 1886 relating to sugar and failed to find any order of Department authorizing a re-test of a sample when asked for by an importer or broker. In changing the designation of a sampler on or about the latter part of March, 1887, for the next month, in which action I was overruled by an order from the appraiser, I was careful not to violate the regulation which requires that samplers shall not be on any given district longer than for one month. The name of the firm which has the right to obtain from the sugar-room at the appraiser's store, the residue of sugar samples of firms they represent is Verrinder & Callaghan, No. 101 Wall street, N. Y.

On or about May 28th, 1887, a request was made in writing to my office from the owners of 5,600 bags of sugar at the refinery of Dick & Meyer asking that a re-sample be made of said cargo. Sugar Examiner B. D. C. Foskett was detailed by me, through Examiner Remsen, to re-sample the same. Examiner Foskett found that of the total number of re-sample bags stenciled "U. S. Re-sample" but 180 remained, the balance having been melted up in the refinery. He thought that the bags gave evidence of having been freshly stenciled, as also did his samplers, Twamley and Mills, whereupon he refused to make re-sample. All papers in this case, with the facts relating thereto, were submitted to the appraiser, and subsequently returned by him to me. I have heard nothing further in this case.

If Mr. Dale, the messenger and opener and packer connected with the sugar-room, gets the residue from sugar samples, it is without my knowledge or consent. I have no person detailed to demand passes, and as a matter of fact did not know that a pass was requisite for admission to the 8th division. This statement is made in answer to interrogatories propounded to me.

THOMAS S. TICE.

Sworn and subscribed to before me this 7th day of July, A. D. 1887.

T. AUBREY BYRNE,
Spl. Treasury Officer.

TO ASST. APPRAISER 8TH DIVISION:

Wanted: Letter of Appraiser Hay authorizing examiners to do as well as they can in sampling mark by mark.

Can find no such letter.

C. H. TRAINER.

NEW YORK,

U. S. Appraiser's Store, July 9th, 1887.

NEW YORK, July 30, 1887.

T. S. TICE, asst. appraiser 8th division, further states as follows:

The day following the examination of Examiner McElwee by you, on or about the 23d instant, I was waited upon in my office by Examiner R. E. Bowne and Samplers F. Leimbach, A. G. Mundy, and P. T. Rahl.

Mr. Bowne then requested these gentlemen to make their statement to me, which they did to the following effect: That Examiner McElwee had intemperate habits, and that upon one occasion had seen him in his district office intoxicated.

To this I replied that they should present their charges in writing, since which time I have not heard from them.

I asked them when this occurred, and they replied in last May.

As these men, if their statement is correct, should have reported this occurrence when it happened, I am led to believe that they have only done so now in order to damage any testimony that may have been given by Examiner McElwee before you.

THOMAS S. TICE,
U. S. Appraiser, Port of New York.

TO Ass't Appraiser T. S. TICE:

The following articles will hereafter be passed in the 1st division, viz: Confectionery, glucose, honey, molasses, melado, and sugar, and the following articles have been transferred from the 1st division to the 8th, to wit: Personal effects and sample office packages.

Very respt.,

LEWIS McMULLEN,
Appraiser.

JULY 30, '87.

EXHIBIT 100.

NEW YORK, July 7, 1887.

ROBERT E. BOWNE, examiner 8th division U. S. appraiser's store, states as follows:

I was appointed originally in 1866 laborer at the public store; March 4, '70, was made opener and packer; July, '78, was made examiner, which position I now hold at a salary of \$2,500 per year.

By authorization of Ass't Sec'y Fairchild, May 18, 1885, permission was granted Appraiser McMullen to detail me "to supervise the sampling of sugars and attend to the verification of original sampling when in the judgment of the appraiser this may be necessary for the protection of the revenue."

In the latter part of March of this year I made out the usual detail of samplers, as it was customary for me to do under instructions of former ass't appraiser Frank Hay, and also endorsed by verbal authority of Appraiser McMullen, and handed the list to the present ass't appraiser, Mr. Tice, my superior officer in the sugar division. Mr. Tice folded up the paper, placing it on his desk without considering it, remarking, "Do not promulgate this list, as I shall make several changes in it." I then went to the appraiser and stated the facts to him, when he asked me what changes Mr. Tice proposed to make in the list. I told him that I did not know, as Mr. Tice's list was not yet given out, and told him also that perhaps it might be best in the matter to wait until Mr. Tice's list was made out, as I understood from Mr. Tice that he would make several changes in the detail.

One or two days after, Ass't App'r Tice sent for me and asked me if I had a copy of the original list I had given him, as he had destroyed the first one. My reply was, "No, sir; but I could draught another one," which I did, and he approved it, as originally submitted to him by me. In other words, my detail was approved by the appraiser and was allowed to stand, while the proposed changes by Mr. Tice, the ass't appraiser, was not permitted. There were three or four changes in Mr. Tice's detail, I think, the most prominent change being that of Sampler McDermott from district No. 2, on which the refineries are located, to district No. 1. I desired that Mr. McDermott should serve on No. 2, to more properly equalize the work. The details of sugar samplers have, since that time, been made by me, although always submitted by me to Mr. Tice. Mr. Remsen, the examiner, is rated as next in rank to the ass't appraiser, and is recognized as in charge of the sugar-room, having particular charge of invoices and preparation of samples for laboratory. I assist Mr. Remsen occasionally with his duties when my outside duties permit, and have sole charge of details and general supervision of the sampling and re-sampling. The other examiners act under my directions. From information which I had received from various sources I was led to believe that my prerogatives as in charge of the outside work of the 8th division were to be curtailed on the ground that I had been showing favoritism.

It is not the custom to draw samples from ceroons, mats, and bags and mix them on paper on the wharves. Tins are always provided and used, but in making up samples from Philippine Island sugars occasionally samples are made upon the wharf on paper, but very rarely. Samplers and examiners, and I think Teamsters Keely and Maloney, have keys to sample boxes. Under Ass't Appraiser Hay, Maloney for some time was not required to accompany the wagon on account of severe illness, while his son, not a sworn officer, conveyed the samples. My instructions to district examiners are to carry the keys of the closets where samples are left over night. I have carefully scrutinized the sugar sampling regulations of May 22, '83, but can find no authority for granting re-tests upon application of importers, and I have no knowledge of any Department authority of any kind on the subject. Relative to the sampling of sugars not laid out mark by mark as required by regulations, and in cases where the marks are obliterated, action is taken as follows: The examiners are instructed by me where marks are distinguishable in all cases to sample only by mark; where marks are obliterated the representative packages are taken and an additional percentage taken from general cargo for comparison.

I have never instructed the district examiners or samplers to refuse to sample cargoes of sugar that were not laid out, mark by mark, but have instructed them, as stated, to take an additional percentage of samples from the general cargo, to protect the Government as well as possible. It is a fact that large quantities of sugar come to this port, not indicated on the invoice, mark by mark, whereby great difficulty is experienced by the appraising officer to properly classifying said sugars and also jeopardizing the proper collection of duties. And it is also a fact that marks of sugars are indicated on invoices, while the permit checked by the deputy collector orders the per cent. to be sampled, without regard to mark, thereby causing a great deal of unnecessary labor, delay, and risk to the customs revenue, and forcing an amount of responsibility upon the appraising officers that does not properly belong to them.

It is a fact well known to me that the U. S. weighers of the surveyor's department, when weighing sugars, ignore the proper sugars belonging to the proper mark and simply weigh out enough sugar to represent that mark, irregardless of what the mark may be upon the sugar, and by which means the proper collection of the revenue is imperilled. This is not the rule, but it frequently occurs. It is a fact that Iloilo and Manila sugars are rarely laid out properly, mark by mark, therefore the proper classification of these sugars is imperilled, and where we can not lay them out mark by mark, although it is not our business to do, we use our own labor and sample them as "best we can," according to the custom in vogue at the appraiser's store. There have been many cases under my observation where invoices of sugar do not properly declare the grades and kinds of sugar covered by the invoice, making it a great difficulty to properly collect the revenue. I should say that we have been receiving in the last two years at this port larger quantities of South American sugars than ever before. This also applies to sugars from the Philippine Islands (Iloilo, Manila, Cebu).

The use of properly indented tin tags, indicating the mark and grade of the sugar, would, in my opinion, if attached to every package, greatly simplify the selection of packages by mark and would better enable the collection of the revenue. They could be fastened to wooden packages by tacks and to ceroons, mats, and bags by wire.

My instructions to the district examiners, and by them promulgated to the samplers, relative to keeping their triers clean, are that they shall use the crocus-cloth and sweet oil prescribed by regulations. There is necessity for the use of sponges, but not wet ones. This is not permitted by the regulations, but it was authorized by Special Agent Ira Ayer, who instructed all of us in the matter at the same time. It is not a fact to my knowledge that samplers use a soaking wet sponge upon their triers before inserting them in the sample packages. I have known a few instances where this has been done, and have reprimanded the sampler whenever I have known it. I have instructed the examiners from time to time to pay particular attention and prevent the practice of using wet sponges.

A few months since my attention was called by Examiners Remsen and Davis to some samples that were too wet. I investigated the matter and found that water had reached the sample cans through accident on the part of some sampler wringing his sponge. I brought this to the attention of the examiners and samplers, showing them the samples, and explaining how ruinous to the revenue the use of water is to samples, and as punishment I ordered the discontinuance of the use of sponges on short triers for one week. In the use of sponges on the long triers on sampling hogsheds the sponge is drawn through the trier each time before inserting it in another sample package. But one sponge is used. In the case where water might be left in the triers I always instruct the sampler to draw his thumb down through the groove in the trier, that all the water which might remain in the trier be eliminated.

A short time since I discovered that water had been immoderately used in seven or eight sample cans. Inquiry made of the examiner (Mr. McElwee) in charge of the district failed to develop who the sampler was, and in the absence of proof could do nothing but reject the samples. That is the custom in the sugar-room in such cases. My instructions to samplers are, in regard to sampling packages which have become footy or low in grade, to take of such packages a fair representation of the free and the footy. I can not think of any violation of this direction. A man acting contrary to these instructions I would at once report for removal. In regard to sampling sugar in mats, in which the sugar has become crusted, my orders are to break out the crust and get into the free sugar. To sample these bags a knife is used, though I understand at Philadelphia a short trier is used. Mr. Hay, late asst. appraiser, ordered the discontinuance of the use of red plugs.

In regard to the melting up of sample packages referred to in Art. 28 of the regulations, examiners on the sampling districts over the Government telephone have communicated me and inquired whether or not the sample packages could be melted up. I have replied that so far as we were concerned the test was satisfactory, and that the representative of the importer was satisfied with the classification. Frequently it is the case, when re-samples have been required by the importer, that they have already been melted up, and it has also happened when the Government required re-samples, as, for instance, in the Hunt cargo (Moore-Wood case).

In five Government sampling districts telephonic communication is had direct with the sugar-room, and it is of daily occurrence that instructions issue between the districts and the sugar-room over said wire.

We do not consider the classification of a cargo of sugar completed until the importer accepts said classification; where the importer is dissatisfied with the classification, he, within the 24 hours, asks for re-test, subject to re-sample in nearly every instance. I consider that it is the business of the importer's representatives or brokers, evidenced by his presence at the appraiser's store, to facilitate in every way, if possible, the rapid and satisfactory classifications of his goods and passage of his invoices; and by obtaining re-tests of the marks he objects to, he does receive satisfactory classification. I have

known some instances where retained sample of the re-sample had been re-tested, thus making four tests of a certain mark on application of the importer or his representative.

Brokers Burt and Dreyfoos visit the sugar division in the interest of their clients nearly every day, as they represent the largest refining and importing interests at this port.

District No. 2, in which are located the refineries, receives more than one-half the imports at this port, in my opinion.

On the — day of June, 1887, A. Lueder & Co. imported 22,000 bags South American sugar, Ex. "Crown Prince." It was landed at Watson's stores, District No. 3. Mr. McElwee, sugar examiner, was in charge of the cargo. The importer asked for a re-sample. After the re-sample had been drawn, a fraudulent stencil plate ("U. S. Re-Sample") was found in the cargo, in the warehouse, which occasioned considerable suspicion. The original test for classification of the sugars was 85.3, and that of the re-sample 84.9, the latter lowering the rate for duty one full degree. This suspicious affair was evidently an attempt on the part of some one to defraud the Government. Before giving out the result of the re-sample, we took a third sample from the general cargo, tested it, and as the test conformed to the first re-sample, we allowed the classification for duty to stand. This was satisfactory to the importers. The reason that I know this was a fraud stencil is because of the fact that the lettering of the stencil which had been put upon the bags was in many respects different from the lettering cut in the fraudulent plate. I have heard and known of similar transactions at this port before.

I do not extend any facilities to Mr. Burt that I do not accord to others, and I might perhaps add with truthfulness that I might inconvenience myself a little more to accommodate Mr. Dryfoos, who is generally looking after his client's interests on the docks, while I have never seen Mr. Burt on the docks at all. Mr. Dryfoos is on the dock sometimes before our employes get there, oftentimes accompanying them to their work. As a rule he stays there until our samples are drawn.

From general impression and observation, I am led to believe that Mr. Burt and Mr. Dryfoos are not on friendly terms.

Of the examiners and samplers employed at the present time I know of no act traced to them which would shake my confidence in their integrity.

I have been informed by Examiner Remsen that sugar broker Jas. Burt called him out of the sugar-room and catechised him in reference to his examination on the pending investigation of sugar matters. Mr. Remsen asked me if I did not know that it had been stated that Burt run the sugar division. I replied that I had heard it stated, but by parties whom I did not consider responsible. Among those were Mr. Dryfoos, the sugar broker, and some of the discharged employes of the sugar division. I knew Capt. Osborn, chief clerk, and Mr. Jos. A. Lackey, record clerk, both formerly in the sugar division. I always considered Capt. Osborn an upright, honorable, and credible man. As to Mr. Lackey, I know nothing against his integrity, although I would not give the same weight to his word that I would to that of Capt. Osborn.

If an invoice of Iloilo sugar was written up thus,

- I. Iloilo, 89-70,
- II. Iloilo, 89-70,
- III. Iloilo, 89-70,

it would seem to me that, from obliteration of marks or other cause, the cargo could not have been regularly sampled mark by mark. The fact is that frequently cargoes of Iloilo sugars come in such a manner that they can not be properly laid out mark by mark, and a general sample is taken from the cargo, care being taken by the samplers to take a percentage of each grade.

The Government should, in my opinion, insist upon a different method of making out sugar invoices from the Philippine Islands, and a regulation requiring the proper marking of grades would have a salutary effect and inure to the safety of the revenue. In my experience, Iloilo sugars have come in with marks inverted thus: Those marked No. 1 might show No. 3 mixed with them, and the same with No. 2 "and No. 3," and on account of this mixing of marks the interests of the revenue are imperilled.

It is a fact that importers of sugar do receive private advices from the shipper which explain facts as to the make-up of the cargo, which do not appear upon the invoices. I do not say that this is the rule, but I do know that it does occur in some cases. Take for instance a cargo of Porto Rico sugar, seven hundred and eighty-five hogsheads, invoiced and permitted "no marks" "N. M.," and yet as a matter of fact, we find upon applying to the importers or their representatives, twenty to twenty-five marks of high and low grade sugars, twenty-five hogsheads going above No. 13 D.S. It is only by the exercise of the most scrutinizing care, that the Government revenue is not defrauded. A general sample should never be made under these circumstances. We often find that the U. S. sample packages have been sampled by importers' samplers before the U. S. sampler draws his sample, which is in violation of the regulations, and should not be allowed. We have protested again and again to the collector's officers, but have never received any satisfaction therefrom.

Some years ago samplers were instructed to refuse to draw samples from mutilated sample packages, but this is not an enforced order to-day. It is a fact that as soon as the sample packages are laid out they are trucked into the refineries, tried in sampling order, and there remain until our samplers have completed their work, though 24 hours or more may elapse, giving a dishonest refiner the opportunity, if so disposed, to manipulate the sample packages. I know of a case of this kind which happened in connection with the Brooklyn sugar refinery, (W. C. Jacobs, examiner) and two other cases that were unsatisfactory and appearing to give evidence of the manipulation of the sample packages, and because they (the importers) never protested to our action in refusing to take the possibly manipulated sample packages, it tended to prove that some manipulation had taken place. This applies more particularly to the first case mentioned, and which occurred about a year since. Other cases are: Elenenhorst & Co., Swift & Co., McDonald & Co.

Examiners are invariably present when samplers are drawing their samples.

I never saw a tabulated statement of damage allowance posted as required by regulations.

Some means should be found whereby invoices could be written up more expeditiously, thus looking to the better interests of the service.

Mr. Jas. Burt has his reports of classification as soon as made placed handily in a book or blotter for his inspection. No other broker, to my knowledge, has such a book.

I have known cases of imported sugar, the invoices of which was indicated mark by mark, but the U. S. samplers found that the samples laid out did not represent the cargo mark by mark, and they, the samplers, drew their samples as well as they could, the marks being obliterated and the weighing officers acknowledging that the sugars could not be laid out mark by mark, and yet the weigher's official return showed that the sugar had been separated mark by mark, which was a false statement on the part of the weigher. In many of these cases the naval officer has returned the invoice to the 8th division for reconsideration, with the request that the classification be made to conform to the weigher's return.

The stencilling of sample packages is done by a laborer of the weighing officer, while the packages should be stencilled immediately after they have been weighed. I know of many instances where this has not been done until some time thereafter. The stencil is not kept as carefully in the custody of the weigher as it should be, for in the Elmenhorst & Co. case the laborer was able to obtain the stencil from the weigher's frame and use it fraudulently during the noon hour. The case was investigated by Spl. Agent Hanlon.

I know that Broker Dryfous has asked the samplers to give him a show in sampling the sugars he represented.

Weighing is often done while it has been raining, and samples have been drawn in wet weather, but always under cover.

I know that it has been the custom at the Havemeyer & Elder S. refinery to have the sample and re-sample packages (bags, mats, etc.) moved into the refinery warehouse and afterward the sample packages re-handled and placed in sampling-tiers, and sometimes distant from where they were originally placed. This has been done by the employes of the refinery, but I have cautioned the examiners, particularly in the case of re-sample, to give as close attention to this work as possible.

Fully two-thirds of our work is done at this refinery.

Sampling is sometimes done as late as 6 o'clock when handling a large cargo during the busy season. The sample wagons make two and sometimes three trips a day between the appraiser's store and the sugar districts when necessary.

So far as I know article 32, relating to the sending to the custom-house of samples of sugars above No. 13 D. S., is not complied with. The reason for this I do not know.

The amount of sugar classed as above No. 13 D. S. imported at this port is very small, not aggregating five tons a year.

In making up the exchange tabulated sheets of sugar imports and classification at this port great care is exercised to have them correct.

In my opinion samples of sugar tested in the dry substance, and exchanged between the ports of New York, Boston, and Philadelphia, should show, if the tests correspond, that the chemists at the three ports were evidently reading their instruments correctly.

As I consult the Boston tabulated sheets I find that from them it does appear that imported sugars at that port pay a higher rate of duty than is collected at the ports of New York and Philadelphia.

It is my belief, however, that Boston receives a higher grade of sugar than New York. This I learn from information that I have received from refiners and others, but this I have no personal knowledge.

ROBT. E. BOWNE.

Sworn and subscribed before me this 9th day of July, A. D. 1887.

T. AUBRY BYRNE,
Sp'l Treasury Officer.

EXHIBIT 101.

JOHN S. MCELWEE, examiner 8th division, states as follows :

I was originally appointed in October, 1885, as sugar sampler, and made examiner in April, 1886, since which time I have been generally employed in examiner's duties. Mr. Tice, when he was first appointed assistant appraiser, told me that he intended taking charge of the detail of examiners and samplers, as that had been the custom of his predecessor in office, and looked upon it as his prerogative. He said he was presented with a list of the detail by Mr. Bowne, as made by him (Mr. Browne), and that, in looking at it, he deemed it advisable to make some changes. He indicated the changes to be made on the list. After he had done this he told me that he had received written orders from the appraiser to the effect that he must not interfere with the list as originally made out by Mr. Examiner Bowne, and showed me the appraiser's order. From that time to this, some months, Examiner Bowne has made the details.

On one occasion I questioned the authority of Examiner Bowne to direct and supervise me over the head of the assistant appraiser, and in a talk with the appraiser on the subject told him that it did not seem proper to you to be under orders from an examiner of the same rank as myself when there was a head to the division in the person of the assistant appraiser. He informed me that Examiner Bowne had been assigned by the Secretary of the Treasury as supervising examiner, and that I would have to take orders from him, which I have since done. While Mr. Tice is assistant appraiser and the recognized head of the division he has no control or direction of the examiners and samplers, Mr. Bowne being looked upon virtually as the head of the division. Mr. Tice told me that he sought and expected to obtain the assistant appraisership of the 2d division (jewelry and precious stones), vice Assistant Appraiser Stevens, removed; but Mr. Stevens being re-instated the next day, Mr. Tice was appointed to the 8th division as being the only one available. It was generally understood by the employés of the 8th division that Examiner Remsen was Mr. Sugar Broker Burt's choice for the assistant appraisership for that division.

I was endorsed by every sugar-house at this port (see papers now on file at the Department) for the assistant appraisership of the 8th division, with the exception of Havemeyer and Elder, whose endorsement I did not look for, as Mr. James Burt was their broker and felt pretty well assured that he would favor a man of his own choice for that position. I do recognize the fact that sugar-broker Burt has great influence at the appraiser's store in matters connected with the 8th division and U. S. laboratory.

Mr. Burt was former assistant appraiser of the sugar division, and several of the employés now in that division were officers under him. The samplers and clerks who were at that time under him have since been made examiners—as, for instance, Remsen, Bowne, Davis, and Jacobs.

In detailing samplers for duty on District No. 2 (the Havemeyer & Elder district) such samplers as Examiner Bowne detailed for said district, I understand to mean and be the preferences of sugar Broker Burt. I think that nearly everything that is done that concerns the division and which is of any importance where Burt's interests are concerned are talked over with him before they are executed. When I first was appointed in the 8th division hints were thrown out to me and in fact I was given to understand that I must do nothing to antagonize the interests of Sugar Broker Burt if I desired to rise in the service. The persons who gave me to understand this fact are still in the service. The statements were made to me during my service as sampler, by other samplers, the general drift of their statements being to the effect that Broker Burt had such a pull at the appraiser's store it would be to every man's interest not to antagonize him, for certain removals had been made of men who did not act as Mr. Burt might desire. This and other reasons is the cause of my belief of Mr. Burt's influence at the appraiser's store, and I am not alone in this opinion.

While I was a sampler on the Havemeyer & Elder district the samplers would not manipulate any samples while I was there. In fact, I do not believe the samples are ever manipulated, except that they are manipulated in the selection of the sample packages, as for instance, taking and selecting the poorer packages of the cargo for sample packages. Whatever further manipulation there is, is in the mixing and testing of samples for classification.

If I was supervising examiner I would recommend the removal of one-half the present force of samplers and make certain changes in the present force of examiners, with the recommendations for removal of one or two of them on the ground of incapacity. Another reason why I would recommend removals is that many of the present force of samplers, and some of the examiners, have been in the past associated with all that has been charged as corrupt. I look upon their present retention in office principally to the pull that Broker Burt has at the appraiser's store.

When I have been on duty at this district, meaning in the sugar room, which is the

office of the examiner when in charge of this (the first) district, I have always noticed that the presence of Sugar Broker Burt was always signaled to the employés of the sugar room in some such terms as these: "The Col. is here;" and then Examiner Remsen or Mr. Bowne, whichever happened to be there, would immediately take the test-book which Clerk Johnston keeps and carry it in to Mr. Burt in the outer office for his inspection. Sometimes Clerk Johnson would also take it in. The manifest impropriety of any sugar broker having access to this book where the tests of all importations are recorded is unquestionable. I have seen Clerk Trainor come into the sugar room and notify the employés there of Col. Burt's presence, and then either Remsen, Bowne, or Johnson would carry the book in to him.

Previous to Mr. Tice's incumbency as assistant appraiser the public posting of the daily classification of re-samples was never done. In Havemeyer & Elder's importations at that time it was the rule to order re-samples, consequently the public posting of the classification of that firm's re-samples were never shown.

At my suggestion to Mr. Tice, he required that the classifications of re-samples made should be publicly posted daily, which I understand has been done, and thereby has diminished our work 50 per cent., and the more noticeable fact is that now Havemeyer & Elder, through Broker Burt, hardly ever asked for re-samples, but they continue to ask for a re-test.

By means of the above suppression of the public posting of re-sample classification the other ports have been kept in ignorance of the true classification for duty, as the re-sample almost invariably lowered the classification from one to two degrees.

I believe that the practice in this omission to publicly post classifications of re-samples was done at the instance of Mr. Burt.

I have heard that Broker Burt's brokerage amounts to between 40 and 50 thousand dollars a year, and I have no reason to doubt the accuracy of the statement. It is generally understood among business men in the trade that he is worth all he receives to his clients, or he would not receive such an income.

JOHN STEWART McELWEE.

Sworn to and subscribed to before me this 19th day of July, A. D. 1887.

T. AUBREY BYRNE,

Special Treasury Officer.

JOHN STEWART McELWEE,
U. S. Sugar Examiner.

Mr. T. A. BYRNE.

DEAR SIR: During the last week in the month of November, 1886, a gentleman called at my office in the 3rd district at Harbeck's stores in Brooklyn, N. Y., and requested a private conversation. On going out on the dock with him he told me he was authorized by the appraiser of this port to interrogate me on the subject of sampling sugars; he showed me a card inscribed T. A. Byrne, 34 Green ave., Brooklyn—144 State street, Boston. I told him I could not recognize him as coming from the appraiser until he showed me some written authority to that effect. He seemed anxious to force the matter, but left on seeing me obstinate. This person was, to the best of my recollection, about 5 feet 7 inches in height, about 45 years of age, dark hair and heavy beard, small eyes. On seeing you to-day I can easily see you are not the person of the same name who then called on me.

Very respectfully,

JNO. STEWART McELWEE,
U. S. Sugar Examiner.

N. Y., July 20, '87.

JOHN S. McELWEE, sugar examiner 8th division, on further examination states as follows:

I have heard, and it is tacitly understood, that there is a "Burt sugar ring," the object of which is to facilitate the obtaining of low classification of sugars, and that such low classifications of sugars have been obtained in my mind unquestionable. Although Mr. Tice, assistant appraiser of the 8th division, is a comparatively new officer, and not conversant with sugars, yet his presence has had a salutary effect in a certain direction.

I was appointed to fill the vacancy made by Howard G. Gill, examiner, since dead, and among the effects of the office that I took charge of was a letter of instruction, as follows:

PORT OF NEW YORK, APPRAISER'S OFFICE,
402 Washington Street, August 1st, 1885.

SIR: Mr. Robert E. Bowne, examiner, having been detailed to supervise the sampling of all sugars and to verify original sampling when in the judgment of the appraiser

this may be thought necessary, you are hereby instructed to co-operate with him in all his efforts to carry out the requirements of Treasury regulations for the sampling of imported sugar and other cane products dated May 22, 1883.

FRANK HAY,
Ass't Appraiser 8th Division.

To HOWARD C. GILL, Esq., *Examiner.*

(Letter annexed.)

This letter I accepted as an official order, and I have governed my acts since in accordance therewith.

I was told by Examiner Bowne that the late assistant appraiser, Frank Hay, had written the Secretary of the Treasury. This is the letter to which I refer, and which reads as follows:

PORT OF NEW YORK, APPRAISER'S OFFICE,
402 Washington street, May 2nd, 1885.

LEWIS McMULLEN, Esq.,
U. S. Appraiser:

SIR: Respectfully referred to Department letter (H. B. J.) under date of the 27th inst., I beg to say that I greatly desire to have one of my most experienced sugar examiners detailed to supervise the sampling of sugars, and attend to the verification of original sampling, when in the judgment of the appraiser it may be thought necessary, for the protection of the Government.

With your approval I shall name Mr. Robert E. Bowne as the person whose long experience as a sampler and examiner eminently fits him for this position.

Respectfully,

FRANK HAY,
Assistant Appraiser 8th Div.

To that letter he obtained an order appointing Examiner Bowne supervising examiner in charge of examiners and samplers at this port. The following is a copy of the order:

TREASURY DEPARTMENT,
Washington, D. C., May 18th, 1885.

COLLECTOR OF CUSTOMS, *New York:*

SIR: In accordance with the recommendations contained in your letter of the 12th instant, and the report transmitted therewith of the U. S. appraiser at your port, you are hereby authorized to inform that officer that Mr. Robert E. Bowne of his office may be detailed to supervise the sampling of sugar, and attend to the verifications of original sampling, when in the judgment of the appraiser this may be necessary for the protection of the revenue.

C. S. FAIRCHILD,
Assistant Secretary.

He did not take charge of examiners and samplers until the present assistant appraiser, Mr. Tice, entered his office, as prior to that time Assistant Appraiser Hay had immediate charge of examiners and samplers.

Mr. McMullen has empowered Mr. Bowne with far greater authority than he had during Mr. Hay's administration of the 8th division.

In referring back to the matter of Assistant Appraiser Tice being relieved of making the detail of samplers, I feel that the reason of Mr. Bowne settling the matter at that time was because Mr. Tice had just come into office, and it was necessary for him to establish himself in the beginning firmly and positively; otherwise his prestige would be gone, and he would, as a matter of fact, have nothing to do. His position at the present time is nothing, as he is always loafing around in the sugar-room; but prior to the last month, whenever any of Havemeyer & Elder's cargoes are in, Mr. Bowne is always present at the sampling. This also refers to any cargoes of sugars represented by Broker Burt.

It is a fact that sugars arriving at the premises of Havemeyer and Elder's sugar refinery the sample bags are moved well within the precincts of the refinery premises, and oftentimes they are placed in extremely dark places.

I do think that from the moment the sample packages are designated until the sugar is drawn and classified for duty they should be under the direct supervision of an appraising officer. About June, 1887, I was in charge of the re-sampling of the "Crown Prince" at Harbeck's stores, Brooklyn. While engaged upon the work one of my samplers, by name Mills, found secreted among the re-sampled packages a stencil plate, which I identify as the one now shown me by Mr. Burne. Sampler Mills handed me the plate, and from the marks on the re-sampled packages I could see very readily that

this plate had been used to stencil these re-sampled bags. Inasmuch as this was a suspicious circumstance, under my prerogative as an examiner I directed the samplers to take 5 per cent. from the general cargo, requesting Mr. Bowne that the two lots be separately tested. I was told by Mr. Bowne that the separate tests had been taken, but whether it was so or not I don't know.

Copy of extract from test-book of June, 1887:

Crown Prince, from Bahia, April 28, 1887, invoice No. 17865, N. M., 22,485 bags, invoice to A. Luder.

No. of sample 1429, sent to laboratory June 11, dated chemist's report June 11, 1887.

No. of tests made, 8; they were as follows: 84'40, 84'30, 83'80, 84'00, 84'80, 84'00, 83'30, 85'00.

Test taken for classification, 85'00.

When I was a sampler in January or February of 1886, at the (Watson, I think) St. stores, in Brooklyn, I was sent by Mr. Davis, sugar examiner, to sample a cargo of Brazil sugar, with three other samplers. Going in and looking at the cargo, I discovered that the sample packages had been plated in store, which fact I reported to Examiner Davis. He came up and looked at the cargo, coincided with what I stated. We were all satisfied that the sugar had been stenciled in store fraudulently and irregularly.

Mr. Davis sent me up to the chief weigher, Mr. O'Brien, and request him to come down and see him. I went up and saw Mr. O'Brien; he came down shortly afterwards. I got a lantern and took Messrs. Davis and O'Brien in through the cargo. Mr. O'Brien was satisfied that they were stencilled there irregularly, and to the best of my recollection Examiner Bowne was sent for; he came over, looked at the cargo, and he was satisfied that it had been irregularly stencilled.

He reported the matter to the appraiser, and he authorized him to take 10 per cent. from the general cargo, make the stores people break into the cargo in different places, and reject the original samples.

Special agents had been notified of the occurrence in some way and two of them came over and made inquiries and found the plate as I understand, and the man who plated the cargo—a workman now in the stores. I never heard what was the result.

I felt satisfied that if a proper investigation had been made, as I was the man who discovered the irregularity and reported it to the examiner, I supposed that I would be naturally called upon to testify, but have never heard anything of it from that day to this.

Another case of fraudulent stencilling was made in last August when I took charge of District No. 6, when going on the dist. I found a mat cargo of manilla sugars; this cargo was one of Elmenhorst & Co's. It was discharged at merchant's stores; the cargo aggregated 65,000 mats, comprising 5 marks. On going on the dist. I discovered this cargo nearly ready for sampling. On inquiry from the U. S. store-keeper as to where he had his sample and re-sample packages stored he seemed to be in ignorance that such a cargo was in his warehouse. I found out from the warehouse men where the cargo was lodged in different warehouses. On reaching the sample packages I was certain they had been stencilled in the warehouses, not on the scales, immediately after the weighing was done. I reported the matter to the assistant appraiser's office. Examiner Bowne came over; he went down and looked at the cargo and he felt satisfied that they had been stencilled fraudulently, as the ink was quite fresh. He told me to await further orders. He came over the next day and we found the foreman weigher there, Mr. O'Brien, they had some conversation, the nature of which I am ignorant of. I overheard one or two phrases.

Collector Magone had been recently appointed and Mr. O'Brien did not want any trouble at that time that would reflect upon him, and he wanted Mr. Bowne to make the matter as smooth as possible. We went with him and found the weigher who weighed the cargo (McCarthy), a temporary weigher. On showing him the samples he repudiated them and said those were not the samples he had stencilled; it was not the same ink. Those samples which were laid out for us were stencilled with lampblack and kerosene; he showed us some of his samples scattered throughout the cargo on which the ink was thoroughly dry, and rather indistinct. According to Mr. Bowne's instructions I took those samples which had been laid out stencilled with kerosene—I mean the evidently fraudulently stencilled packages.

A new store-keeper had arrived on the scene, and pronounced them as having been stencilled in the store contrary to regulation.

We took those samples under Examiner Bowne's orders, which represented 2½ per cent. of the entire cargo. We also took an additional 5 per cent. of each mark of the cargo. What the result was I have never heard. I don't know what action was taken by the appraiser or the authorities in the matter. I have heard of a similar affair in regard to fraudulent and irregular stencilling of sample packages in connection with the firm of Messrs. Swift & Co., sugar importers. I have heard that years ago certain store-houses received certain sugars solely because they offered unusual facilities for sampling.

When I find that samples are not laid out mark by mark I order the samplers to break down the piles and identify the marks. I often find that samples of sugar are not laid out mark by mark—boxes and mat sugars.

I understand that the merchants can always obtain samples of their sugars mark by mark, and I can see no reason why sugars should not be laid out mark by mark.

I have frequently seen and protested against the weighing of several marks of centrifugal sugars on the same scale at the same time to the weighers, and notified Examiner Bowne with no apparent results in the weighing department.

It is customary at refineries, as soon as sample packages have been weighed and marked, for the samples to be put upon trucks and run within the refinery premises. There they are piled up promiscuously by the employes of the refineries or longshoremen, and it then becomes necessary to verify a great many tiers of samples, to see if the samples are put in mark by mark, to pull those piles down, entailing a great deal of work upon the samplers which does not belong to them, not only retarding the work but giving opportunity to the mixing of sample packages, so that proper samples can not be drawn on account of the mixing of high and low grades.

At Havemyer & Elder's refinery, North 3rd street, there was a barque cargo of about 7,000 bags centrifugal, six or seven marks. I protested against the weigher weighing all the marks together. He said it had been "permitted" by order of the collector. I told him that it was a moral impossibility for him to return the correct weights of each lot of sugar; that there were six or seven marks mixed in the cargo, all of different grades. I reported the matter to Examiner Bowne. He came over before the cargo was quite complete, just as we were ready to sample. I showed him the different grades of sugar that were in it. We took some samples that the weigher had laid out, some others we took from the cargo, properly verifying the marks, and he afterwards reported to me that there was a difference of three full degrees.

It is a question whether the Government would have lost or the importer. Some one would have lost. I think that as near as I can recollect the Government would have lost, as a large proportion of the sugars were high-grade sugars, and the classification would have been governed by the test of mixed samples, low grade predominating.

Another instance: About September last, at the Congress st. stores, dist. No. 5—I was running two districts at the time—there was a cargo of mat sugar, manillas, ones, twos, and threes (three marks), imported by George Beste, represented by Joseph A. Dreyfoos, sugar broker, this trouble arose purely from ignorance of the weigher and the carelessness of the foreman weigher on the dist., who has since been removed (McElroy). A temporary weigher had been started to weigh the cargo, and he had been instructed to lay out $2\frac{1}{2}$ per cent. of each mark for samples and $2\frac{1}{2}$ per cent. for re-sample. On visiting the dock I found that they were weighing ones, twos, and threes on the same scales. I remonstrated with him, but did not seem to make him understand the necessity of separating them.

He complained that the stevedores would not separate the marks. I told him that his redress then lay with the collector's officer, who would have the ship knocked off; those samples had not been weighed mark by mark. This is an every day occurrence on bags and mat sugar. I reported the matter personally to Asst. Appraiser Remsen, who was acting assistant appraiser, and he told me I had better come down with him and make a statement of this to the appraiser, which I did. The appraiser told me not to have anything to do with those samples. He sent for Special Agent Hinds; he came in and I explained the matter to him by Mr. McMullen's request. Special Agent Hines said under no circumstances must we take those samples. Examiner Bowne came in then. Mr. Hines requested he (Mr. Bowne) and I to accompany him to the customs-house, which we did. He saw Mr. Treclor, collector's chief clerk, and he and Mr. Bowne then went in and seen Deputy Surveyor Blatchford. He told us that he would send the chief weigher, Mr. O'Brien, over to the scene of action to meet us. We went over and waited some time, and he did not come.

Examiner Bowne was called back to the appraiser's store on some other business, and about half past two in the afternoon Mr. O'Brien, the chief weigher, and a Mr. Musgrove, who is employed in the surveyor's office in some capacity, sent for me, upon the dock, where the sugar was being weighed. I went up with a sampler, called Isaac W. Cole, for the reason that he had been with me when I called the weigher's attention to the irregularity. We went up, Mr. O'Brien and Mr. McElroy. The foreman weigher contended then that the cargo had been weighed mark by mark, but they could not account for the entire number of samples being laid out after the ship being working three days, clearly showing carelessness on the part of a foreman weigher of the dist. Those samples were rejected and the cargo was sampled from the cargo five per cent. of each mark being taken. Thus the revenue and the Government were protected by my action.

I allow samplers under my charge to use a moist sponge, such a sponge that you can not squeeze any water from. The immoderate use of water will lower the test of sugar, and I pay particular attention that samplers under my charge do not use a wet sponge.

I was shown some sugar by Mr. Bowne which had been taken from No. 5 dist. last fall, which had dissolved and re-crystallized in the can. I stated openly that I did not believe that this sample had ever left the dist. in that condition. It occurred on Examiner ——— dist. Leinback and O'Donnell were the samplers. The condition of the sugar indicated to me that excessive water had been used after the samples left the sampler's hands. This excessive use of water might have been made by the sampler, but in my opinion I don't think it was; therefore it must have been done after the samples left the sampler's hands, either while on their way to the appraiser's store, or after they reached the 8th division, or while in the closet on the dock. I asked Examiner Bowne what course had been pursued. He told me that the sugar had been classified with what samples remained after these samples had been rejected. I asked him what authority there was for doing that. Why did he not report the matter to the appraiser and call a re-sample? That would have been the course that I would have pursued.

That question was not answered by him, and he seemed to pay no attention to it. Subsequently he took those samples to examiners and samplers on the wharves and showed them to them, and stated that if that occurred again he would report them to the appraiser, but as a matter of fact he did not order or see that a re-sample was made of this identical cargo. I have heard nothing of the matter since that date. The proper thing for Examiner Bowne to have done in this case, in my opinion, would have been to report the matter instantly to the appraiser, and see that a re-sample of the cargo was made.

Another instance: Some three weeks ago I sampled a cargo 605 hogsheads of sugar at Dick and Myers' sugar refinery, Brooklyn. The following week Examiner Bowne was over on the refinery dist., and he told me to be extra alert; that some of the men were using too much water; that there were three samples of the cargo, and they had to reject one-third as being entirely too wet (this was since we had received orders that you were going to make this examination into sugar matters). I asked him how did they classify their cargo. He said on samples that remained. I said nothing further. No re-samples were made.

In the case of this man, Sampler Twamley, last fall I took him and Sampler Freeburn to sample a cargo at Harbeck's stores; three or four marks in the cargo; the cargo was in store. I noticed when we entered the warehouse that Sampler Twamley was armed with a sponge, an unusual thing for a sampler to use with a knife. He put the sponge up on the mats for a moment, and I felt it and saw water dropping out of it. He then said he would go back and sample these "C" mark, which was in the back of the store. I said, "All right." Mr. Freeburn started right at the door to sample another mark, of which he had about 179 samples to draw. Twamley got through in a short time; he came back, and while he was closing up the can, after I had thrown a ticket into it, he laid his sponge aside. I felt it; it was perfectly dry, and Mr. Freeburn looked at me pretty sharply and quizzically; I looked at him; there was nothing said. I gave Mr. Twamley another sample tin and told him to go down to the stores and start in on another mark.

I took this can of samples which Twamley had drawn, went back to where he had drawn them; I threw it out, gave the can to Sampler Freeburn and told him to go back and draw the same mats that Twamley had drawn samples from, which he did. I noticed on taking up these samples that this particular box containing the "C" samples drawn by Twamley was an object of much solicitude to him. He was not aware that I had emptied it and drawn over again. I packed them in a box and sent them over.

The following day when Examiner Bowne came over I reported this matter to him, but he took the ground that as I had not retained the samples as originally drawn by Sampler Twamley that I had not any case. So the matter ended, and nothing further has been done in the matter. I have no doubt on my mind but what I practically discovered Mr. Twamley in the act of manipulating sugar samples, and so informed Examiner Bowne; but, strange to say, again no action was taken. It was a cargo of Charles P. Gardner.

While on dist. No. 2 Examiner Bowne would frequently telephone over from that dist. to Mr. Remsen at the appraiser's store asking "could they melt such and such a cargo, including samples. Was it all right?"

I have known when asked the question the answer would be "All right, we will know about 11 o'clock." "Then I will ring you up again about eleven o'clock."

About the time Broker Burt would get into the appraiser's store then the order would come one way or the other asking for a re-sample or ordering the melting. This of course satisfied me that Examiner Bowne was communicating as directly as possible with Broker Burt through Examiner Remsen. This has been of frequent occurrence and spoken of by Examiner Fauskitt and myself many a time. We have reported the matter to Mr. Tice when he was first appointed. That has not occurred, to my knowledge, since. A correction of the evils as they exist could not be effected until the sum-

mary removal of certain of the employes of the 8th division is effected by Secretary of the Treasury, and until the action of the assistant appraiser of that division is sustained and the assistant appraiser made an appraising officer in fact as well as in law.

Broker Drefouss is generally present while samples are being drawn of cargoes that he represents, either he or his man John Hetherington. John Hetherington is on friendly terms with all of the samplers. I have often seen him chatting with the samplers. It often occurs that the merchant's sampler, as John Huntington is, samples along side of the U. S. samplers, sometimes before we reach our sample packages, but as I understand an order of the collector of the port is given permitting this.

There are samplers to-day who were in the service and immediately under the direction of Broker Dreyfoos when he (Dreyfoos) was supt. of sugar samplers at the appraiser's store, such as Twamley, McQuade, Freeburn, Mundy, and maybe some others.

Samplers carry keys which will fit the chests containing the samples. There is no necessity why samplers should have keys to the boxes which contain the sugar samples; of course we examiners must.

I understand that samples are sent from the wharf to the appraiser's store, 8th div. on wagons unaccompanied by sworn officers of the appraiser's store. It used to be the rule at the refinery districts. The son of James Maloney, the sampler, drove the wagon and had charge of the samples in transit.

When I went to the refinery dist. as examiner I protested against this practice and made it a point to see that a sampler accompanied the wagon. I reported this fact to Examiner Bowne, and he said I was perfectly right, that he did not want that wagon to be without a sworn officer on it. No order was ever issued by the appraiser or asst. appraiser relative to this matter.

A day or two after the appraiser (Mr. McMullen) had taken the detailing of samplers out of the hands of the asst. appraiser, Appraiser McMullen sent for Samplers Seymour, McDermott, and myself. I went to see him; he invited me into his inner office, called in the stenographer, told me to sit down. He invited me to read a letter which he handed me. I looked at it. It was two sheets of paper signed "Importer;" an anonymous communication. I asked him was he aware of the fact that it was an anonymous letter before I read it. He said yes, but he wanted it explained. I then told him that it was a voluminous communication; did he want me to take it up by sections or as a whole?

He told me I could take it up as I pleased; so I proceeded to read the letter. The tenor of it was that the writer had been watching with a great deal of satisfaction the great amount of excellent work that had been done, by the sugar division since he (the appraiser) had become appraiser at the port, and that everything had been going on very smoothly and honestly, but that within the past few months the writer deplored the fact that an element had crept into the division that was rather demoralizing. This element consisted of myself and Samplers McDermott and Seymour. I said to him that I would take it up by sections, and asked him what was meant by the demoralization; he said, "That is what I want you to explain." I said that I had not been in from the outer districts for several months. I said possibly I may have given offense to some of the men by rejoicing that we had a new asst. appraiser.

The next clause of the letter was that I was conducting myself on the dock in a very obnoxious manner to the G. A. R., and that I had spoken of that body in a disrespectful manner. However, I said I will plead guilty to having done that, but I fail to remember ever having expressed myself to any person in the department. The next charge was of having used most disrespectful language of the late Presidents, Garfield and Grant. I answered that as I answered the last. I failed to remember ever having publicly expressed myself to any man in the department about those Presidents, but I said I will plead guilty to that, because I had not a very exalted opinion of either of those men.

The next charge was that I was a man of very dissipated habits, that I was scarcely ever to be found on my dist., and that I drank very heavily; in fact was a confirmed drunkard. I told him that the best answer to that was to ask him to look at me, and ask himself if he saw traces of excessive dissipation; you know my friends in Brooklyn and my reputation outside of this place. He said that he did not understand the matter at all. I asked him why he did not confront me with those people who complained to him about me. He told me that among other things he had been informed that I had threatened publicly to put the machinery in motion over there in King's Co. and have him removed.

I said to him that I was happy to know that he thought me a person of such importance. I have no pretensions in that direction at all. He wound up by saying that we would start afresh, advised me to avoid talking politics; that was the end of it, and as a matter of fact that was the only time I ever was called before the appraiser and questioned by him relative to the business in which I was engaged.

I feel satisfied that the authors of this anonymous communication, and it is generally understood among the samplers of this division, emanated from employes of that division.

I have heard that it was a rule in the past for sugar men to pay money to United States samplers and examiners with the view to influence their work favorably toward them, but I have no knowledge of this having been done recently. I understood that they were paid by the cargo. It varied according to the size of the cargo. I don't know what the price is paid now; that is a thing that is impossible to discover.

I have no doubt whatever in my mind but that large sums of money are paid annually to samplers and examiners and other employés of the 8th div. to manipulate sugars to secure low tests in the interests of sugar brokers, but I think this is a pretty difficult matter to substantiate.

From my knowledge of the feeling among the business men in the sugar trade, the way they speak, I have heard several of them speak of the approaching or pending investigation and saying, "Well, if there is anything it will never come out;" "There have been several investigations in the sugar division and they amounted to nothing, and this will end the same way, and if there are any frauds the influence at work is sufficient to beat the results of this investigation when it gets to headquarters at the Treasury Department."

The impression prevails and is current among the examiners and samplers here and among many of the merchants whom I have heard speaking of the investigation that it has been instigated by discontented sugar importers at Boston who felt aggrieved on account of the low classifications at this port.

Late Sampler Seymour has told me that if the proper authority ordered him to tell all he knew that he would like to have the opportunity; but that he felt there was no use in saying anything.

I feel that this investigation will not amount to anything, and that it will cost me my official head.

I believe that hogsheads of sugar for sampling should never be placed upon the wharf or in the refineries two tiers high, for the reason that it is impossible to draw a correct sample therefrom. It often occurs that hogsheads containing samples of sugar have been sampled by merchant samplers before our samplers reached them.

Some time ago when I was on this district, the sugar-room being my headquarters, I endeavored to ascertain by what means the laboratory officers were informed as to the identity of the sugar samples of Havemeyer & Elder's or other clients of Broker Burts; after a long time of continuous and careful watching I discovered the fact that large cargoes of high grade centrifugal sugars which would naturally require low testing would be sent to the laboratory in large square cans, being different in size and shape to the ordinary cans used for sending samples to the laboratory.

I feel satisfied that some such method is and has been employed whereby the sugars represented by Broker Burt received special treatment.

I reported this to Assistant Appraiser Tice when he came into office, and he spoke to them about it in the sugar-room, and the habit was discontinued since then. I have been unable to discover the signal, but feel morally certain that there is one employed. Sugars coming in from the refinery districts previous to Mr. Tice's appointment always received the first attention; that is, sugar from Havemeyer & Elder's or any of Burt's sugars were sent down to the laboratory first and given the preference over sugars which had been received earlier in the day, and perhaps the day before.

I know of cases where sugars of other importers, sampled and sent in on Friday, no report being made on Saturday, and sugars from Havemeyer & Elder, recd. on Monday, would be treated and be reported upon before the other sugars had been sent to the laboratory, so that I know whereof I speak, and only a blind man would fail to see it, that Broker Burt practically runs the 8th division.

Last summer, about the time of the fraudulent stencil-plate matter connected with Elmanhaust & Co., referred to at merchants stores, as we got through sampling the wagon was waiting for us, and going over to the sample closet to get a wooden case to pack those tins in, I noticed an old piece of tarpaulin in the way. I grabbed hold of it and threw it out of the way. This man Kelly, the driver of the sample wagon, was standing there, and to my astonishment there was a key of this closet, but it would not fit all the closets of the district. I took it up, showed it to Mr. Kelly, asked him could he account for that. He said no; somebody must have dropped it. I said there are only two keys supposed to be on this dist. Here they are, and this is a third one. I reported the matter to Examiner Bowne. He then issued an order that afterwards on leaving a dist the examiner must take a receipt from the examiner succeeding him for the keys that he leaves with him.

I have heard of the key of dist No. 5 being lost, and on making inquiry found that it had been lost overboard by Sampler Twamley.

After I left that Dist. I went up on No. 5. There was a cargo of mixed muscovadoes that had been sampled by ———; it had been stored in the Congress street closet overnight. The cargo was principally barrels. I sent the two samplers on the Dist. up to get boxes out of the closet to go to work on another cargo. Sampler

McQuade came back and reported to me that the closet where the samples are kept was broken into. I went back with him and found that there was an old unused door in the back of the closet which had been securely nailed up six months previous, because I put a bar across it myself. The sample box appeared to be intact, but I at once notified the act'g. assist. app'r, Mr. Rensen, of the fact. I told him that I would draw the samples all over again, which we did. Since then I have heard nothing of it.

I have not happened to be on the same dist. with Sampler Twamley within the last six months. Sampler Cole has not, to my knowledge, been on any dist. other than city dist., No. 1, refinery dist., Havemyer & Elder's, No. 2, and Congress stores dist., No. 5, with one exception, since I came into office.

It has appeared to me that Examiner Bowne has certain favorites amongst the samplers. I have been told that certain samplers visit him frequently at his house, two or three times a week, and report to him how things are going on, what has been said and done. I have been told that McQuade visits him regularly, and that Twamley goes to see him quite as often. I have been told that Mr. Cole visits him quite regularly. If there is any money being made by sugar samplers or examiners, I am positively certain that it is made on dist. No. 1, or refinery dist. No. 2, Havemyer & Elder, and Congress store Dist No. 5.

As far as Broker Burt is concerned, I don't think the sugar samplers make any money. I think that money is given to higher game; in other words, officers at the appraiser's store, between the sugar-room and the laboratory.

I have suspected Broker Dreyfoos of using money improperly, but I may be doing the man an injustice, as I have not seen any sequence from circumstances as in the case of Broker Burt's influence. I feel morally certain that money is being used among some of the samplers, and among those who are most likely to be worked are the old samplers and those new appointees, as for instance, Samplers Gilbert and O'Donnell; and among the others previously alluded to are Samplers McQuade, Twamley, Isaac Cole, Mundy & Leimblack. Of the examiners who I firmly believe are under the "Burt ring" influence are Wm. D. Davis, Wm. C. Jacobs, Robt. E. Bowne, and Abraham Remsen.

I believe that there has been suppressed hostility previous to within this last month existing against Sampler Freeburn on the part of Examiners Bowne, Jacobs, and Davis, so much so that Sampler Freeburn and Examiner Davis had an open altercation over in Hoboken. They were discussing Examiner Bowne's authority and his reputation as a sugar examiner. I was told that Freeburn made the statement that he was present when Bowne received the first "boodle" that he ever received.

Within a month ago, when Freeburn was on the Havemyer & Elder dist., I noticed that there was some cordiality between him and Bowne, and I believe the breach was healed.

About the spring of 1885 the appraiser issued an order to all the employes of the appraiser's department prohibiting them from visiting the offices of importers without his written permission. I understand that it was the custom of Examiner Davis to visit the office of Broker Burt, on Pierce st., every Saturday afternoon after business; for what purpose I don't know.

Sampler Luke McDermott has expressed a willingness to come before you and state all he knows in regard to irregular practices at this port as relating to sugar and the conduct of the officers of the division.

There is, in my opinion, a great deal of crookedness in the manner and method of drawing, sampling, and testing damaged sugars, and I think the percentage of damage allowance is exceedingly too high. These people can very easily deceive a damage examiner by making a pile of sound bags and facing it with damaged packages, which I believe is very often done. In my opinion every bag of damaged sugar should be sampled; otherwise the revenue must suffer.

I have noticed that the port of Boston has a higher test of sugars coming from the same ports than New York as shown by the exchange's tabulated sheets in the 8th division. I have noticed that the Philadelphia statements used to run much higher than they do at present, of sugars coming from the same port as those entered at New York.

Examiner Browne has informed me that a circular letter from the Secretary of the Treasury has been promulgated, which authorizes and permits the re-test of marks of cargoes pending the call of a re-sample upon the same. Examiner Foskett and myself have made inquiries in regard to the matter and have been told by Examiner Browne to this effect.

I have asked late Appraiser Hay to show me the order, but he could not find it at that time; since then it has not been produced to me.

I have also asked Mr. Hay by what authority in the case of re-sample of mats we are to sample the original sample over again. He told me that he construed supplement to circular 62 of the regulations of May 22nd, 1883, under date of Apl. 15th, 1885, to empower him to take both the original and re-sample packages in case that he was called upon to re-sample the cargo by the broker, but I don't place such a construction upon

that circular; thereupon late Assistant Appraiser Hay had an argument upon that point. The result was that I was ordered to continue the practice then in vogue.

Examiner Foskett and myself questioned the propriety of drawing these original samples over again, and the only reason that we could see for drawing this quantity of sugar was to get a bulk into the sugar-room. This accumulation of sugar is in the interest of those who get the sugar samples, and I believe there are certain men in the sugar-room and laboratory who are paid to take this interest in gathering these sugar samples.

I have known cases where Broker Burt's sugars have been sampled and re-sampled and a second re-sample drawn when Broker Burt was dissatisfied with the classification.

I consider that the stencil plate and scoring-irons are kept within the reach of any one, and I have no doubt but that a great deal of irregularity and fraud creeps in on this account. I have seen a sample draft leave the scales and one of the weighers, who was deputized by the weigher, follow these boxes on trucks away back into the store and stencil them after they got in there.

I know that James Dale, messenger to the sugar-room, does loan money to employes of the 8th division.

Article 19 of the regulations is not carried out, for sample and re-sample packages are not laid out side by side at the same time, and the stencilling is not done on these packages at the same time.

I think that sugar brokers should not be allowed in the appraiser's building; neither do I think that they should be allowed to hold any communication with appraising officers, as I look at it these men would hesitate about performing their full duty while the influence of these people was constantly surrounding them. I know that article 19 of the sample regulations is frequently violated; the samples are either laid out ahead or they delay laying them out until the cargo is nearly completed, thereby neglecting to observe the rotation called for by regulation.

Weighers have frequently confessed to me that they are unable to distinguish marks, and they went right ahead and weighed up regardless of marks. In this way, say that 1,700 bags "St. Isabel" were called for on the permit, the weighers found that the cargo was sweaty bags, stained; to make it easy they would weigh up 1,700 bags regardless of marks or grade of sugars, fill up their book as though that was the weight of the "St. Isabel" mark. Such procedure is often done.

I have on several occasions found that re-sample packages had been melted up by the refineries before I could reach them when ordered to re-sample the re-sample packages, violating Article 27 of the regulations.

If collusion was to be carried on between the examiner and the sampler and the importer, then he could draw samples and order the rest to be melted, thus depriving the Government of an opportunity for a re-sample, as called for in Article 27 of the regulations.

In connection with requests for re-tests and re-samples I would think that there are many re-tests made and re-samples called for other than on written requests of importers.

I have seen Examiner Bowne take the record sheet of tests from the messenger in the laboratory, look at the tests of Havemyer & Elder's sugar, and say, "Abe" (meaning Examiner Remsen), "that will have to be re-sampled." I have seen him go to the telephone immediately and telephone over to the examiner on that district to the Havemyer & Elder, "Re-sample that lot of sugar." Mr. O'Donnell was on this dist. with me at the time that this occurred; we spoke about it going home at night.

JNO. STUART MCELWEE,
U. S. Sugar Examiner.

Sworn and subscribed before me this 25th day of July, 1887.

T. AUBRY BYRNE,
Special Treasury Officer.

NEW YORK, July 25, 1887.

JOHN S. MCELWEE, examiner, sugar division, further states:

Mr. Verrinder, of the firm of Verrinder & Callaghan, came to me about the latter part of April last, and stated that his firm were not getting the refuse sugar samples that they were entitled to as representing certain sugar importers, and having authority from those importers to get such refuse sugars. They made a written complaint to the appraiser, to which Mr. Dale, when called upon, stated in writing they were getting all they were entitled to. After this Mr. Verrinder told me he had given Mr. Jas. Dale, who has charge of these samples in the sugar-room, twenty-five dollars (\$25) so that he would look after their samples, and see that they got all that belonged to them. Mr. Verrinder admitted that after this payment of money to Mr. Dale there was some improvement in the quantity of sugar delivered them, but that they were still not getting

what they were entitled to. Mr. Verrinder also made this statement to Ass't Appraiser Tice, at his house, in my presence.

On the 11th and 12th of July current, Samplers Mundy, Leimbach, and Kelly, under my direction, sampled the cargo of the barque *Sernano* from Barbadoes, Leacraft & Co., Jas. Burt, broker, at the Havemyer & Elder Refinery. These samples were tested on the 13th, the classification was published on the sheets on the 22d of July, ten days after the samples were drawn. In this interim many re-tests of the marks were made, and also a re-sample, no written request for the latter being made, as I understand.

Havemyer & Elder import and receive at their refinery the highest grades of sugars imported at this port.

JNO. STUART McELWEE.

Sworn and subscribed to before me this 26th day of July, A. D. 1887.

T. AUBREY BYRNE,
Special Treasury Officer.

EXHIBIT 101½.

PORT OF NEW YORK,
Appraiser's Office, July 21st, 1887.

MR. T. A. BYRNE:

DEAR SIR: At your request I hereby specify the various sections of the Treasury Regulations (for the sampling and classification of imported sugars, under act of March 3, '83) which are frequently ignored, viz, sections 8, 11, 14, 15, 19, & 28.

Very respectfully,

J. S. McELWEE,
U. S. Sugar Examiner.

MR. T. AUBREY BYRNE,
Special Officer U. S. Treasury Dept.:

DEAR SIR: At your request I itemize herewith the sections of the regulations governing the sampling of sugars which are imperfectly complied with or entirely ignored at this port. I also give you as near as possible an explanation of how and why these sections are comparatively a dead letter. I will begin with section 1st: "The mixing and preparation of samples in the examination room" is not done with dispatch, as frequently sample chests containing samples of various marks are not mixed until the following Monday. This could be remedied by forbidding the drawing of samples after 11 a. m. on Saturdays or days preceding a holiday.

Section 2. The sample pkgs. of sugar in wood the scoring is frequently neglected or imperfectly done by the carelessness of the Government weigher.

Section 3. Sample packages are frequently laid out by the weigher, sufficient room to properly sample not being allowed. In the case of sugar in bbls. they rarely place them in tiers, but leave them standing in a miscellaneous group on their heads or bottoms.

Section 4. On the refinery district the weigher and inspectors do not take any interest in samples beyond marking them as such; the refinery hands tier them where it is most convenient for themselves at the time, generally placing hhds. 2 tier high, in which position it is almost impossible to draw a proper sample, especially in Martinique sugars or concrete.

Section 7. As far as it relates to, "if 25 per cent. and not over 50 per cent. of any mark be damaged, 50 per cent. of sound shall be sampled," is impracticable; 25 per cent. of the sound and all the damaged pkgs. should, in my opinion, be taken.

Section 8. In all cases of re-sampling of wooden pkgs. the custom is to take the entire mark. The regulation says "every pkg. not before sampled," which I believe means the remaining 75 per cent. not originally sampled. In the case of bags and mats the practice is to not only take the re-sample pkgs., but also the original samples over again, which procedure seems ridiculous, as the retained sample is held in the sugar-room showing the grade of the original pkgs. This practice not only adds to the work of the Dept., but also entails serious loss to the importer, half a ton of sugar being often taken when there seems to be no reasonable object in taking the same.

Section 9 should read: "Shall be sampled by putting the trier directly through the center of the pkge. from end to end; one round tin sample-box to constitute a sample."

Section 10. Examiners frequently fail to send letter of transmittal as per form furnished by Dept., sending frequently a rough memorandum difficult to understand.

Section 11. This has not been observed for four or five years by instruction of late

Asst. Appraiser Hay. It is a useless proceeding and should be stricken out of the regulations.

Section 13. Inspectors and weighers frequently do not take proper care to separate marks of bag and mat sugars. When they do separate them they confine such separation to the sample pkgs., weighing, as they do, several marks on the same scale at the same time. This can be understood. The reason of their inability to distinguish marks is only too frequently a desire to oblige the stevedore discharging the cargo, who is naturally anxious to get the vessel discharged as quickly as possible.

Section 14. This section is very often ignored; weighers will either lay out samples ahead or delay putting them out as long as possible; in the latter case it is greatly to the disadvantage of the Dept. This is done either through careless ignorance or through collusion with importers. No better way of getting a fair sample could be devised did the weigher always follow the regular rotation, but he does not always do it.

Section 15. Bag and mat samples are thrown into a general heap on the refinery district and sorted out after the cargo has been weighed by refinery hands. In the warehouses along the rest of the water front they do not keep the samples, especially of Brazil sugars, separate from the cargo, but pile them up as a facing, sometimes ten bags high. The stenciling is not readily seen, and in many cases the pkgs. are not accessible.

Section 19. The boring and cutting of sample pkgs. by the merchant samplers before the Government samples have been taken is done very frequently. This is through the carelessness of inspectors or store-keepers.

Section 22. Molasses samples are never placed in the wooden sample-chests—it would be impracticable to send one small tin can holding molasses in a large wooden box. Tin sample-cans of one quart capacity, to be locked, should be provided.

Section 26. The proper care and circumspection is not used by inspectors, weighers, and store-keepers in selecting, marking, and preserving the identity of sample pkgs.

Section 28. On the refinery district sample pkgs. are generally removed immediately on being sampled this is done to secure needed room and is allowed by inspectors and store-keepers.

Section 29. Better facilities should exist for transmitting samples from docks to the examination room. Two wagons now perform the work, a third wagon is necessary from October to August in each year, and no samples should be allowed to remain over night in the closets on the docks.

Sections not included in the foregoing are generally observed sugars, which are lightered to a distant refinery or warehouse as soon as weighed, should be compelled to leave the sample and re-sample pkgs. until the expiration of re-sampling time, as there is every facility for the making of spurious re-sample pkgs. or of wetting the re-samples by the lightermen while in transit. All sugars should be only re-sampled where originally weighed; permission to re-sample elsewhere opens the way to fraud.

CLASSIFICATION.

Section 30. Observed.

Section 31. Sugars above 13 D. S. are frequently passed by one examiner instead of two. In case of re-sample the retained sample is never used, since the original samples are all drawn over again, which in my opinion is contrary to regulations and unnecessary.

Section 32. This section is totally ignored to the best of my belief. I have never known of its being done. I consider it a useless regulation; no good to be obtained from its practice.

Section 34. Observed.

Section 35. Observed.

Section 36. A divergence rendering a 4th and even an 8th. test necessary often occurs.

Section 37. See reply to section 31.

Section 38. Observed.

Section 39. Observed.

Section 40. Observed.

Section 40. Observed.

Section 41. Observed.

Section 42. Observed.

DAMAGE.

Section 43. Damage examiner rarely sees the vessel which has discharged the sugar upon which damage is claimed; neither does he see the cargo discharging.

Section 44. The damage examiner only samples the lots laid out as damaged, the test of the sound having been already ascertained by the sugar examiner. Only a part of the damaged lot is sampled by the damage examiner. In my judgment he should ex-

amine each and every pkge. upon which such claim is made and the amount of damage is much smaller than as represented.

Section 45. Observed.

Section 46. Observed.

Section 47. Observed.

Section 48. Observed.

Section 49. Observed.

Section 50. I have never seen tabulated statement of the classification of sugars with damage allowance attached. In fact, that is a matter that is kept mysteriously by itself somewhere, I know not; that it is ultimately checked off on the invoice I have no doubt. All re-samples should be noted on the tabulated classification sheets; they hardly ever are so noted.

You will perceive from the foregoing that the regulations which should govern our every act in connection with the classification and sampling of sugars is more "honored in the breach than in the observance." In the matter of re-tests the astonishing feature presents itself of sugars which have been lying as a retained sample 24 often 48 hours, and which should, according to physical laws, test higher than when first tested, in consequence of evaporation, nine times out of ten the re-test makes matters satisfactory to the importers—the test comes down.

I do not recognize re-testing sugars as legal, never having seen any order from the Secretary of the Treasury Dept. making it so. At the same time the original number of tests might be increased to the Government's advantage in the mixing of sugars. This has been done for years by one examiner. No one man should continuously mix sugars in the examination-room any more than any one sampler should sample on any one district more than a month at a time. This same examiner marks the classification on each and every invoice. This should be done by the clerk who keeps the tests-book under the direct supervision of the assistant appraiser of the sugar division. Men who are not regularly appointed sugar-samplers should not be detailed to sample sugar, and the assistant appraiser should have entire charge of the disposition of the men in his division in order that he may be held personally responsible for the result of the same.

Yours, respectfully,

J. S. McELWEE,
U. S. Sugar Examiner.

EXHIBIT 102.

JUNE 28th, 1887.

ABRAHAM G. REMSEN, sugar examiner 8th division.

Being duly sworn, requested *before going further with his testimony* that he be given opportunity to look over and revise his statement.

Admits and says that there is a feeling of animosity towards the investigators, although all employes of the 8th division are aware that the investigation is made by order of the Secretary, and were so notified by the appraiser in an official letter to the assistant appraiser of the 8th division.

I saw Dr. Sherer and had a conversation with him on the subject of this investigation previous to being summoned here. He came into the sugar-room of our division and spoke about having a stenographer take notes of my testimony, as that was what he was going to do. Examiner Browne, supt. of examiners and samplers, was present, who I understood to say would also demand notes of his testimony. Mr. Thos. D. Johnson, clerk of the sugar-room was also present.

The statement of Dr. Sherer that he would demand notes undoubtedly influenced those to whom the statement was made. Similar conversations were had by me with Mr. James Dale, Chas. H. Trainer, Appraiser Tice, and Mr. Abbott.

The employes or chemists of the laboratory visit the sugar-room occasionally.

They have messengers to carry official messages to the sugar-room. They are Philo Cole, P. Doonan, Jas. Sinilay, and Capt. Flowers, or whoever is acting clerk.

I am in charge of the sugar-room. The sugar chemists and employes who visit the sugar-room are Dr. Sherer, Mr. Abbott, Mr. Landsman, Mr. Davis, Mr. Morse, Mr. Rigney, Mr. Wainwright, Mr. Ball, Dr. Baker, and perhaps some others.

Besides employes of the appraiser's stores those who visit the sugar-room are Mr. Dreyfoos and Mr. Burt. These gentlemen are sugar brokers, and represent a large number of sugar-houses and refineries.

Mr. Brown, representing Moller, Srerck & Co., Mike Dillon, representing Caballos & Co., entered the sugar-room and presented me a pass. Mr. Burt has shown me a pass and his clerk has entered upon the same pass. It is made out in the name of Mr. Burt. They have occasionally come into the sugar-room on matters respecting their importa-

tions, but it is not allowable, and I have ordered them out many times. I have ordered out Mr. Dreyfoos and Mr. Burt. Mr. Burt comes into the sugar-room about every day. He inspects the classifications that are posted up in the ass't app'r's office. I have seen Mr. Burt inspect invoices and classification sheets of other than those that he was broker for.

Mr. Burt, Mr. Dreyfoos, and other sugar brokers have rec'd their classifications in memorandum before they were noted on the invoice, and if the test is too high Mr. Burt and Mr. Dreyfoos write a request, generally addressed to the ass't app'r, asking for re-test. I do not know whether such procedure is in violation of the rules or not.

Mr. Burt almost invariably procures his own notices of classifications in person, and Mr. Dreyfoos sends his messenger or clerk.

Par. 50 of the regulations states that notices shall be mailed to importers at the close of business each day. This is not done in all cases.

Notices are not mailed to firms represented by Brokers Dreyfoos and Burt unless they should not call for them, but as a rule they always call or send. Messrs. Burt and Dreyfoos almost daily ask for re-tests, and occasionally, when there has been a dispute on the test of a certain mark, several tests have been asked for and made.

Sugar-brokers Burt and Dreyfoos occasionally send back tests for verification, but do not remember of their sending back more than once at a time, which requests I forward to the laboratory. I send up the requests for re-test by numbers. For instance, say, I send number 5 to-day; it may be requested that a re-test of that mark be made. I have its duplicate written out in a book and give it a new number. To re-test No. 5, I say please re-test No. 5. I have the retained sample, which is given another number, but do not say anything about that to the laboratory. The object of that is, so that there shall be no knowledge in the laboratory and that they will go right along with the test. If that re-test was not satisfactory to the broker they have in many instances called for further re-tests, which have been three re-tests of one mark; and then it would be very rare when re-tests would be asked for from the retained sample unless it was sugar in a large tin, and then we would make more tests, the object of which is to get a correct test. We break the lumps with a mallet. I thoroughly mix sugars so that re-tests ought not to be required, but in many instances they are asked for and granted. Whenever re-tests have been asked for they have been invariably granted.

It is usually a week after original test is made before the closing up of the classification; in the mean time requests are being made by the importers for re-tests. In cases of re-samples being taken, a month might elapse before the invoice is returned. The requirements of regulation, Par. 50, are not wholly complied with as to the posting of the tabular statements of classification of sugar, as it is a physical impossibility, and, as a rule, several days elapse after the classification before the posting is made, and in the mean time this gives the brokers opportunity to have their samples re-tested. I saw Mr. Burt, the sugar broker, yesterday (June 28). He met me in the second division as I was passing in and said he would like to have a little talk with me. The subject of such conversation was the classification of sugars at this and the port of Boston, and the present investigation of the subject at this port, remarking as to the latter "that it would amount to nothing." I have heard expressions used as to the "Burt sugar ring." I have also seen it in the newspapers. In the appraiser's store I have heard the expression used, "I suppose this is some of Burt's sugar." It was said facetiously, as they supposed it to be such from the fact that I had sent it down for test late that day. It is generally understood among employes, particularly in the 8th division, that there is what is called a "Burt sugar ring" at the appraiser's store, and of which Mr. Burt is considered the head.

There is a general feeling among the employes of the 8th division that certain of the employes in that division are quite friendly to Mr. Burt. Some of the persons to whom that feeling is attributed are Mr. Bowne, Mr. Jacobs, Mr. Davis, and myself.

It has been intimated to me that Mr. Burt and Dr. Sherer were very intimate, and that has been my own impression, in a general way, derived from the fact of the observance of gentlemanly consideration between them. I have heard Burt scold about his tests many a time. I think at times there has been a kind of coolness between them.

I have never received any information or complaint that the firms represented by sugar brokers Dreyfoos and Burt ever had undue consideration on the part of their invoices, which complaints I think would naturally be made to me, as I am the examiner in charge of the division; but such complaints should, be made to the head of the division, the ass't appraiser.

Mr. Tice, the present ass't appraiser, is a new man. Mr. Hay, the former ass't appraiser, was a very intimate friend of Mr. Burt. I have protested at different times against Ass't Appraiser Hay's action on Mr. Burt's invoices. In spite of these objections Mr. Hay and Mr. Burt had their swing, and as the ass't appraiser was my superior officer, my objections were without avail, and I might have favored Mr. Burt's

interest in certain directions at the suggestion of Mr. Hay. I have never written up an invoice wrong. I could not possibly write up all invoices myself, and other examiners have assisted in such work, as also Mr. Hay, when he desired to help me out.

If Mr. Burt has had any invoices written up wrongly it has been done without my knowledge, and I do not know of any invoices wrongfully written up and have never been requested to do such a thing, and have no reason to think that any one else has, although it has been intimated to me by Mr. Gill, a former sugar examiner, that such was the case. I did not report his statement to my superior officers, but talked the matter over with him, as I generally scrutinized the invoices; but of course could not do so always. I considered Mr. Gill a thoroughly honest officer, and he was so regarded by all of us. He frequently made complaints relative to the examination of sugars, but no action was taken on them on account of the manner in which they were made. I made mention of Mr. Gill's statements to Mr. Hay and one or two others in the division, but Mr. Hay seemed to be powerless to do much of anything from the fact that we had a force of men that he could not control very well. I am also sure that Mr. Gill made these same complaints to former Special Agent Adams, who sent for me once or twice in relation to them.

Special Agents Adams and Ayer were both made acquainted by Mr. Gill with the irregular methods employed in taking sugar samples. I am on the docks but very little myself. Mr. Bowne assigns the samplers to the different districts. Mr. Hay used to make these details, then I did; then it was submitted to Appraiser Ketchum. Mr. Bowne, our examiner, makes these details at present, and sometimes asks me what I think of them. He goes on the docks where the men are. The assist. appraiser may have made these details once or twice. When first appointed he told me he intended going on the docks quite often, and intended making the assignments of the samplers to the different districts, but I believe he has made such assignments but once. He stopped because a change had been made in his assignments; that is, Mr. Tice sent another man in place of the sampler that Mr. Bowne had assigned, and that led to a quarrel. Mr. Bowne had been assigned, I think, by the Secretary of the Treasury for that duty, to have general supervision of all the work of the examiners and samplers; that, I understand, was so written. I never saw the letter. Mr. Bowne told me so, and it was supposed he was the best judge of where to assign the men. He assigns them generally; that is, one good worker with a poor worker. Mr. Bowne made out the assignment of all the men; that was sent in to Mr. Tice for his signature, and he changed one man. Mr. Bowne did not object or care much about it, still it made a feeling. Mr. Tice gave right up to Mr. Bowne. I think the name of the sampler was Mr. Twamley, and he was detailed on the district of the "Havermeyer and Elder" dist. Mr. Bowne objected to the change and the quarrel ensued, and Mr. Tice put his name back again and assigned him to the Havermeyer dist., where he filled out the balance of his time.

Mr. McMullen called Mr. Tice's attention to the fact that Mr. Bowne's duty was to attend to the assignment of the men. Mr. Tice came up stairs and told me that.

I think Mr. Burt got Mr. Bowne into his present position. I was appointed by Gen'l Palmer, who was very intimate with Mr. Burt, and when I came into the service Mr. Burt got me the position of sampler in the appraiser's store. Mr. Burt got me advanced to an examiner, and he got me advanced to my present position. I never said to Mr. Burt that an advance of salary would be satisfactory to me. He got my salary advanced from \$2,200 to \$2,500 about May 21st, '85. Mr. Bowne treats Mr. Burt very kindly, as he got him his position. Mr. Burt never stated to me that he got Mr. Bowne his position, but from his conversation I presume he was responsible for it. I know that Col. Hay owed his original position (clerk) to Mr. Burt, and that he got him in as examiner and then he got him in as asst. appr., and through Mr. Burt's influence he was kept in until his resignation. I think Mr. Burt has influence with the appraiser; I should suppose the Havermeyer and Elder interest have influence at the appraiser's store.

At 2.20 p. m. to-day (28th inst.) I (Mr. Remsen) was sent for to the examination room by the appraiser and asked to state the leading questions that were being put to me here. I told the appraiser that I was under oath, and declined to give him any information. He did not ask anything else. I did not see any one else there. Mr. McMullen knew I was being examined here, but perhaps thought I was through. The mess'g'r went to my room and was told I was down here.

I told the appraiser that I was under oath, and he seemed to think that I ought not to have allowed myself to be sworn. I suppose Mr. Burt had a strong hand in putting Mr. McMullen into his present position. I suppose Mr. Burt's influence put Mr. W. C. Jacobs into his present position, with a salary of \$2,000.00. It is generally known in the division that he has. I consider Mr. Jacobs a very truthful, honest man. I suppose it would be natural for him to be friendly with Mr. Burt.

I think Mr. Burt put W. D. Davis in his position, and has had him advanced in salary from \$1,800.00 to \$2,200.00.

I begin to think that there is some foundation for the remark that there is a "Burt sugar ring."

I have heard Mr. Burt ask for Mr. Jacobs to be put on No. 2 dist.—"the Havemyer & Elder dist. He has generally had him where he wanted him.

From what I have seen I am rather of the mind that Mr. Burt and Mr. Tice have not been very friendly. It is not generally understood that Mr. McElwee was Mr. Burt's choice for asst. appr. I think I was his choice. I do not know of his having presented my name. I could not fill the position to my own satisfaction.

I know that Mr. Burt felt quite disappointed when Mr. Tice got the appointment as asst. appr., and the general impression prevailed to that effect.

I think Mr. Hay ought not to have been dropped, but there was a change of administration, and he was not well, and had lost all his energy for probably a couple of years before; he was pretty deaf.

Very often when he was sick it affected his mind, and I have hardly considered him capable of fulfilling his duties. I know that a strong mind ruled him, and that strong mind was Mr. Burt's.

Mr. Doucy is supt. of openers and packers, and he is very intimate with Mr. Dale, and the cause of this is that they are old acquaintances and live near one another. They may have financial transactions. Mr. Dale is a man of property and he loans money to the employes.

I suppose Mr. McMullen retains Mr. Dale in his present position through the influence of Mr. Burt.

I know Mr. Jas. Maloney and suppose Mr. Burt's influence has kept him in his position.

We have two wagons; Maloney and Kelly drive them. I am pretty certain Maloney owns his and Kelly also. I don't know that they are presented to them.

I was in the sugar-room on Saturday morning when you (Mr. Byrne) came in. Mr. Burt was sitting at the table in the office that morning, getting his classifications from the lists, and also the reports. They are addressed to Havemyer & Elder.

He takes them from the official notice. It is sent in for him to get when he comes.

Such favoritism is not shown to Mr. Burt alone. I don't think it is contrary to the regulations.

Mr. Burt can look over the classification made of Mr. Dreyfoos' sugars, but Mr. Dreyfoos can not look over the classification made of Mr. Burt's sugar, for the reason that Mr. Burt's were enclosed in the book labelled "to be written up" while Mr. Dreyfoos' were laid openly on the table or desk—Mr. Traniers desk.

I do not consider the appraiser's store or any part of it a public place for the posting of classification notices. If I had the direction of the matter I would have them posted at the rotunda of the custom-house. I do not know what caused the change from the custom-house to the appraisers. Col. Ayer was here and was well aware of the fact, and it was done with his countenance. There can be no explainable reason, to my mind, why those sugar classifications should ever have been posted in the asst. appr.'s office. I see no possible good, and there might be possibly harm in such posting, whereas if the notices were posted in the rotunda of the custom-house, and notices mailed to importers, as required by the regulations, no harm would be done; it would be fair to all, and the Government and the importers would be treated fairly. It would keep the brokers out of the sugar division.

I know Peter Twamley. I suppose the influence of Col. Burt and Mr. McMullen retains him in his position, and I spoke a good word for him.

The impression prevails, I think, that Mr. Burt's influence got Mr. Jas. D. Johnston his position.

The trade gets information of damage allowances by sending to the damage deptmt.

I am not aware that it is in direct violation of the regulations.

Invoices can not be more speedily returned to the custom-house, because it is too much work for one man to pass sugar and write up invoices.

I think the work of the 8th division would be very much expedited if we were relieved of the annoyance of those constant visitors—the brokers. I suppose half our time is taken up with them.

Packages designated and placed for sampling, under the sugar sampling regulations, have been removed before the 48 hours allowed in par. 28.

In a vague way I have heard of samples being improperly drawn on the wharf. Mr. Gill complained to me about the excessive water in the sponges on the triers. I think it is not so now. The least suspicion I have of the the sugar being wet I call Mr. Browne's attention to it, and find out what district it comes from. About a couple of weeks ago I made such report; it was in Mr. McElwee's district. I do not know who the samplers were at that time.

Mr. McElwee's attention was called to it by Mr. Bowers—he was very glad to have his attention called to it. I don't think he found out the identical sampler who used

the water. Sponges are furnished to the samplers, and they are warned not to use a wet sponge, and to keep their triers clean, but not to use excessive water. Wet sponges were used away back in '83. Emery and oil are furnished regularly to clean the triers. Col. Ayer told me that we were to use wet sponges. I believe now from what you say that wet sponges are contrary to the regulations. I attribute the use of the wet sponges to Col. Ayer. I have heard of samples being substituted for the United States samples. I guess it was away back in Gill's time. I have heard of duplication of the United States stencils. I have every reason to believe that it was done. I believe it was done in the warehouses in Brooklyn. To the best of my knowledge it might have been Harbeck's or Wall st. Laboring men were supposed to be implicated in it. No samplers were removed for implication in it. Mr. Bowne made all the investigation. It was reported to the appraiser, Mr. McMullen. The only action he could take was, to go to work and get correct samples. That was six months ago, at least. I have heard of the heads of sugar casks being changed. Capt. Adams sent for me once, and I sent him John Farren to try and detect it, but he could not. I have no doubt but what it existed. That was when the captain was chief here.

The cause of the quarrel between Mr. Burt and Mr. Dreyfoos was, that the former charged the latter with trying to get his business from him. It still exists. I have seen them meet without speaking.

Mr. Dreyfoos has been in the business for 8 or 10 years, but he has not always represented the firm that he has now. He has lost a lot of firms lately, from being unable to keep down classifications. A broker acquires or loses business as he is successful in keeping down tests; and by these means business is built upon their ability, to keep the test down—to get a low classification. A broker's business is practically for facilitating and expediting matters at the appraiser's store, and securing low tests.

Mr. Dreyfoos has recently lost the firms of Smith & Shipper, Willard Haws & Co., and others, because they thought the classifications did not suit. I think the tests at this port and Boston have been conforming a little closer than formerly.

It is generally considered that Boston imports as good a grade of sugar as New York. We get a sugar that will test away down to 75 (Muscovado). I don't suppose they would touch such sugar in Boston. I know the "Courtantia brand." I don't think I could average its test. I think it is down to 95, and I have known it to go up to 97. I have known it pay duty at 96.

The effect of taking a sample from every package of sugar imported into this port would entail a great amount of cost to the Government, yet I fully believe that the Government would save a great deal of money by such procedure, and that such sampling would prevent beyond all possible doubt or question any palpable frauds in sugar importations. It would not only save re-sampling, but it would be a *bona fide* security to the Government and the importer; and even if it cost \$500,000 a year money would be saved thereby, and would prevent fraud. I have no doubt in my mind but that fraud is being perpetrated upon the customs revenue in the importations of sugar, and I believe it from the fact that so many irregularities against the interests of the Government can creep into the present method of enforcing the present regulations; and in my judgment an entirely new set of regulations should be made to secure the proper revenue to the Government and prevent fraud.

I make this statement from the fact that I have been engaged for 18 years in the sugar division of the appraiser's store at this port, and owing to my long experience and knowledge in the sampling, testing, and appraising of sugars.

I consider that the present sugar-sampling regulations offer many loop-holes for fraud against the Government. I consider that the asst. appr. of the 8th division should be a man who has had some knowledge of sugars, and also who is an active man both mentally and physically, and have a constant and direct supervision of the whole work of that division outside and in.

The services of the present asst. appr. of that division are merely perfunctory. I think the officials and employes of the 8th division stand in awe of Mr. Burt's influence more than any other person, either officially connected or otherwise.

I inferred from the appraiser's remarks that he censured me for giving testimony under oath.

He did not give me any advice, suggestion, or instructions as to any further testimony.

JULY 7, 1887.

On the day following my examination by you Mr. Jas. Burt, sugar broker, appeared in the office of the 8th division and inquired of me if any merchant had accused him of having and receiving any undue consideration at the appraiser's store? I inferred from Mr. Burt's remarks to me that I had stated in my examination that it was currently reported in the laboratory that the "Burt sugar ring" had existence; to which I re-

plied that I refused to talk on the subject, being under oath, and thought that Mr. Burt had no right to question me. I do not know how he obtained any information as to anything testified to by me. I know of no regulation where specific or implied permission is allowed or directed whereby sugar importers or their brokers can obtain re-tests on their own application, although it is the rule at the appraiser's store to make such re-tests when requested. Refusal to make re-test for importers on their application has never been made to my knowledge, and it is a rule to grant two and sometimes three re-tests on their application after the original classification has been made in the laboratories.

On account of the crowded condition of the work in my division it has simply been impossible to write up the daily statement of sugars classified during the day, as required by regulations; but on the other hand, two, three, four, five, six, or more days intervene between the original classification of the sugar and the noting of said classification upon the tabulated statements. When these sheets are written up they should, and so far as I know, be correct. When correct they will show name of vessel, importer, where from, date of entry, marks, color, and classification for duty, as well as the number of packages per cargo. As I understand it, passes, when issued, are given to the importer or their representative, entitling them to visit only the division in which they have business. Those are the only passes I have ever seen, and simply granted permission to visit the desk of the assistant appraiser of the division; yet, as a matter of fact, sugar brokers and importers daily visit the 8th division. In my opinion Mr. Jas. Burt is the most frequent visitor, and next to him J. A. Dreyfoos, or his clerk, to the 8th division.

One of the advantages Mr. Burt derives in following up his invoices through the 8th division, pushing them forward, obtaining early classification, etc., is that it gives his firms advantages over others, and enhances the value of his personal services as a broker with the sugar importing trade. As far as I am concerned, I always endeavor to act impartially, but from the fact of Mr. Burt's daily presence in the sugar division, he does receive preference is from the fact that he is there to request and demand the same.

The office of sugar sampling district No. 2, with direct telephonic communication with the sugar-room in the 8th division at the appraiser's store, is on the premises of the Havemeyer & Elder Sugar Refining Company. In this office sometimes sugar samples are kept over night. The sugar triers and other sampling instruments are also kept there.

It often happens that the examiner on District No. 2 (Havemeyer & Elder refinery) telephones to the sugar-room, 8th division, and obtains information from myself or Mr. Bowne that certain sugars belonging to the H. & E. Company have been tested and are all right and the tests acceptable to Mr. Burt, their broker, and that the samples can be melted up. This release of samples is made invariably within 24 hours of the drawing of said samples, thus facilitating the importations of the Havemeyer & Elder Sugar Refining Company. This is the only direct Government telephone wire connected with any private refinery.

ABRAHAM G. REMSEN.

Sworn to and subscribed before me this 7th day of July, A. D. 1887.

T. AUBREY BYRNE,
Spl. Treasury Officer.

NEW YORK, July 12, 1887.

ABRAHAM G. REMSEN, examiner, further states:

In regard to the matter of tests and re-tests made at the request of sugar importers and their brokers, wherein the re-tests asked for show a higher classification than the original test, the importer or broker invariably claim the lower test, which has always been allowed and so noted on the invoice, although there may be by thus granting the low test one full degree, equal to $\frac{4}{100}$ cents per pound loss to the Government revenue. This custom has been the practice for years past, as established by former Asst. Appraiser Frank Hay.

I think this custom of re-testing at the request of the importer a pernicious one and should be abolished, as the Government's samples and original tests are as fair to the importer as to the Government. Aside from this fact, it entails an exceeding amount of extra work, and in many instances the revenue suffers therefrom.

I have repeatedly discussed this matter with Dr. Sheverer, the chemist, who holds to the opinion that the present practice is a correct one, and evincing a leniency towards the importer, I holding that the original test should stand, it having been correctly made. Mr. John Sherer, the sugar damage examiner, holds to the same opinion as his brother, Dr. Sherer, the chemist in charge of the laboratory. I understand that Dr. Sherer interprets the regulations as permitting of three-tenths of a degree in the classifications made from the test. This accounts for the number of even degrees noted on invoices as the classification.

If the tests of a sugar sample made in the laboratory read 96.1, 96.2, and 96.3, the test

that I should note for classification on the invoice would be 96.1; but as a matter of fact this does not occur very often, because the tests don't read as a rule 96.1, 96.2, 96.3, but do read 96.4, 96.5, 96.7, and 96.8.

When the tests read up as high as 96.4 to 96.8, the dropping of $\frac{3}{10}$ does not affect the duty, but when they read 96.1 to 96.3 it does.

From my long experience as an examiner of sugars, and in charge practically of the classifications, I am decidedly in favor of the total abrogation of the making of re-tests on the requests of sugar brokers or importers, thus relieving the sugar division of the constant importunities of the sugar brokers, and also saving to the Government the possibility of manipulating tests to the loss of the revenue, which, as I said before in my testimony, is the main object of the sugar brokers, evidenced by them and their acts daily.

When Sugar Broker Burt calls in the asst. appraiser's office for his tests and does not find them, a messenger is sent into the sugar-room for them, thus interfering with our work, and necessarily creating some delay in the legitimate performance of our duties. We always take up our work in regular order and perform our duties as rapidly as possible, and do not need such prodding as we receive from the brokers.

ABRAHAM G. REMSEN.

Sworn to and subscribed to before me this 12 day of July, A. D. 1887.

T. AUBREY BYRNE,
Special Treasury Officer.

EXHIBIT 103.

NEW YORK, July 26, 1887.

WILLIAM H. TOWNSEND, examiner, sugar division, states as follows:

Was appointed originally to test sugars in the laboratory with a polariscope, at \$1,200 per annum, in 1883; entered examination for promotion and appointed examiner in the 8th division in 1885 at \$1,800 per annum.

I acted at one time (in 1884, I think) as damage examiner, in the absence of John A. Sherer, who, I understood, resigned. I filled this position about six weeks and signed damage warrants on sugars. I tested the damage samples in the United States laboratory. I believe the custom is and has been for only one examiner to sign damage warrants for sugars, while I am of the opinion that in all other appraisements for damage the examination must be made by two examiners.

I have never noticed or seen anything which indicated to me that sugar broker Burt had any undue influence in the 8th division. I do not know any U. S. samplers or examiners who are influenced by merchants or their brokers to draw samples favorably; neither do I know any method at present in vogue, nor any irregularities which have transpired, nothing having been brought to my attention, and I am of the belief that the Government receives all the revenue it is entitled to.

I was cautioned to be on guard, as fraudulent stencilling was reported as having been done. With this exception I know of no irregularity.

WM. H. TOWNSEND.

Sworn and subscribed to before me this 26th day of July, 1887.

T. AUBREY BYRNE,
Special Treasury Officer.

EXHIBIT 104.

Dr. EDWARD SHERER, examiner in charge of U. S. laboratory, under oath states as follows:

Q. You were appointed to the service on what date?—A. On the 10th May, 1880, in charge of the U. S. laboratory, then located at Varrick st., and have been in charge to date.

Q. In 1883 did you assist in the compilation of these regulations?—A. Yes; I did so.

Q. Who did you assist?—A. The portion of the work which came directly under my supervision is that which relates to the testing of sugars, marked "classification" from classification down to the "estimation of damage." I framed that portion of the regulations, and they were made at the request of the Secretary of the Treasury, conveyed through the appraiser to me, and they were afterwards adopted and embodied in the regulations.

Q. Who had special charge of the making up of the regulations, so far as the rest of

the regs. is concerned?—A. Col. Ayer perhaps drafted most of them, except the estimation of damages; that my brother drew up.

Q. You had frequent conferences with Special Agent Ayer?—A. Yes.

Q. And gave him the benefit of your knowledge of sugar?—A. Yes, sir.

Q. Who else was present assisting and offering Col. Ayer suggestions and aiding in the compilation?—A. My brother John was sometimes present and assisted him. I don't recollect that any one else was ever present and assisted in the compilation.

Q. Were you ever present when Col. James Burt assisted?—A. I was never present when the subject was discussed and when Col. Burt was present.

Q. Do you know that he gave assistance?—A. I do not know that he gave assistance.

Q. Do you know of any one else who assisted Spl. Agt. Ayer in making up these regulations?—A. I do not. If you allow me, I will say in explanation that, after the regulations were framed and blocked out, type-written copies were made, and I accompanied Col. Ayer, at the request of the appraiser at that time (Mr. Ketchum), on a tour among the sugar importers. We visited a considerable number of importers and presented the draft of the regulations and discussed with them questions which arose in regard to them, and satisfied ourselves of the general acceptability among the trade; some criticisms were made and talked over. It was desired to have an expression of opinion from them in regard to the set of regulations, which was something that had never been done before, and the regulations were generally acceptable to the trade.

The only importers that we did not call upon in that connection were Havemeyer & Elder or Col. Burt.

Q. At the time the regulations were framed what was the reason why a call was not made on these people?—A. It happened to be inconvenient. Mr. Havemeyer was, at the time we called, out of his office, and to see him required more time than we could well devote to the matter. We saw we had enough to get practical acceptance of the work and we did not think it was necessary to go and see them.

Q. These regulations as promulgated have been somewhat amended by subsequent circulars?—A. Somewhat.

Q. But as they stand at the present time they are such as should be enforced?—A. I regard them as such.

Q. Do you know any of these regulations that are to-day disregarded?—A. I do not.

Q. Do you know that the paragraph which requires the use of red plugs in sample packages after the samples are drawn is not conformed to?—A. I did not know it until recently.

Q. By whom were you made acquainted with the fact?—A. I can not recall.

Q. Did the appraiser state it to you?—A. The appraiser did not state it to me.

Q. Did you know why Col. Ayer was transferred to San Francisco?—A. No, sir.

Q. You considered him an efficient officer at this port?—A. Very efficient.

Q. Was he a man skilled particularly in the matter of sugar?—A. I think that Col. Ayer gave more attention to the question of sugar classification than perhaps any other.

Q. Do you know of any of the paragraphs in these regulations which should at the present time be amended?—A. I should not be prepared to suggest any amendment. I am not prepared to say that they could not be amended.

Q. You think that under the regulations the Government can obtain all that it is entitled to?—A. I do.

Q. In this par. 47 do you understand that that paragraph was made with the view to have tabulated forms forwarded from the Department to the various sugar ports as a guide for the making up of the result of sound and damaged samples?—A. I understand it to be simply an illustration of the method that should be followed by the examiner.

Q. What is your method of making returns of damaged sugars?—A. It has been customary to report to the damage examiner the polarization and percentage of water and the polarization of the dry substance of the sample of the mark received from him; that has sometimes been done on the littleslip of paper that you see there. Sometimes a certificate has been filled out, a record of it being kept in the laboratory.

Q. Is there any signature put to the laboratory results on the damage sugar as reported to the damage examiner?—A. I think not. There is a record on file there with the initial letter of the man making the test.

Q. Why is not the same procedure followed in the case of damage certificates as in sound tests?—A. It was customary for a long time for the damage examiner to make his own test. It was not expected or contemplated that a damage sampler should necessarily be examined in the laboratory. The examiner was given a great variety of other work, and he brought his samples to the laboratory and requested that they be tested. Of course, care was always taken to keep a record of the tests.

Q. Do you appoint a certain man to do damage sugars?—A. I have found it convenient as a rule, but not always. At present that work is done mainly by Mr. Ball; dur-

ing his absence any one of the gentlemen who is not engaged in the regular sugar work is requested to do damage.

Q. Is Mr. Ball an examiner?—A. No, he is not; his rank is that of a sampler. He does such sugar work as any one of the examiners and yet does not rank as an examiner. The work of the examiners is on the invoices in the sugar-room. We have, at times, all ranks engaged in testing sugars; they were all practically at first sugar testers.

Q. Are those men that are at present employed in the laboratory experts in the testing of sugar?—A. Yes, they are so regarded.

Q. Are they men who have general knowledge as chemists?—A. Not all of them.

Q. Who have?—A. Some of them have had no special chemical training except such as they have received since they were in the service. Mr. Crumbie and myself have had chemical training. Mr. Abbott, Mr. Rigney, Mr. Ball, Mr. Landsman, and Mr. Morse have not had special chemical training, though are practically the men that are engaged on sugars. Mr. Morse does not read the tubes in the instrument.

Q. By reading tubes you mean ascertainment of the value of the sugar solution in the polariscope?—A. Yes.

Q. Is Mr. Abbott a practical chemist?—A. No, sir; he is a sugar expert.

Q. Is Mr. Abbott a capable and competent examiner according to what is expected of him?—A. I so regard him.

Q. When you are not there he is in charge of the sugar-room in the laboratory?—A. Yes, sir.

Q. Does he sometimes sign certificates as chemist in charge?—A. No, sir; Dr. Battershaw is the chemist in charge of the laboratory in my absence.

Q. In reading solutions of sugar when two polariscopists are engaged upon the same sample, each testing a duplicate tube, what is your method as you instruct them?—A. The regulations, of course, prescribe a method that is to be followed in the matter. The sugars are weighed off by separate men, the duplicate weighing being made and the solutions are prepared and placed in the tubes; each man sits at the instrument and writes his own reading down without comparison. After the readings are ended then it is customary for me to compare the duplicates, noting where the difference exceeds three-tenths of 1 per cent., and I then make the necessary alterations and call the attention of the examiner who has previously read the tube. He always has the opportunity if he desires of reading it again himself. If the difference is at all noticeable, I am in the habit of asking him to do it. If the variance does not exceed three-tenths of 1 per cent. the lower of the two readings is then accepted as the test for classification.

Q. Who are the men that are paired together as partners so called?—A. Generally Mr. Abbott and Mr. Landsman read together. Mr. Rigney and myself. I generally read Mr. Morse's tubes, and if I am there I always read them. If I am not there Mr. Abbott does it, or Mr. Crumbie, or at times Mr. Ball. Mr. Chapman is sometimes called down to read by polariscope. I think I have sometimes read his tubes.

Q. Does Mr. Flowers sometimes read?—A. It has been a long time since he has been called down to do anything of that kind.

Q. Is there any one in the laboratory who is incompetent to read of those gentlemen that have been named?—A. I should be very doubtful in regard to the correctness of Mr. Morse's readings, and should feel considerable hesitation in trusting to his readings, unless he would demonstrate by practice that he could read.

Q. Did he pass a civil-service examination on the reading of by polariscope?—A. He passed a civil-service examination which qualified him to read sugar by polariscope, and which resulted in his appointment to do that work.

Q. Did you submit the questions on that examination?—A. The expert questions relative to sugar were framed by me.

Q. Did you see his examination papers?—A. I do not recall now whether the report was submitted to me or not.

Q. Is his eyesight defective?—A. That is a matter that is very evident to himself. He has expressed a desire for me to read his tubes.

Q. Suppose, for instance, that a sugar sample is tested 95.8 and the duplicate sample tested by the partner reads 96.1, you would accept the 95.8?—A. Yes.

Q. Suppose it was 95.9 on one tube and 96.2 on the other, you would accept the 95.9 as the test for classification?—A. Yes.

Q. Under what circumstances would you take a test as the test for classification which was, for instance, 95.1?—A. After carefully re-reading the tube and assuring myself that that was the reading of it, and that very rarely occurs, because the second reading of that tube results very probably in putting it at 95.3 or 95.2 or at 95, the same tube read by the same observer at an interval of ten minutes may be read by him one or two tenths from his first reading. In going over our books you will very rarely find $\frac{1}{10}$ of an even figure as the figure for classification. Sugar testing not above 90 pays two cents, and sugar testing 90.1 would pay $\frac{1}{10}$ ct. per lb. additional.

I should look at that tube very carefully and the result would probable be to make

that $\frac{3}{10}$ or 90. I think it would be unwise to put it there—I mean at 90.1—for the reason that it would be extremely difficult to prove that to be the correct test. We take the lower of two tests agreeing to within $\frac{3}{10}$ of one per cent., thus eliminating the error of observation, as it is called. I think we have done so; we thus gave the benefit of the doubt to the importer. If we were to report many sugars as $\frac{1}{10}$ of a degree over the even figure the chances are, as the importers always complain that we are higher than they are, that re tests will be asked for. You will find a much larger number of $\frac{2}{10}$ are reported as the tests for classification.

Q. Do you often have to make re-tests?—A. We are sometimes asked by Mr. Remsen, who would send down a note to me and say: "Please verify number so and so." There was a time when they were reported as re-tests, for the first two years I think, but it made confusion, and to distinguish between them I usually put verification on the ticket and if it is a third test or retest mark it re-test, and for perhaps two years now they have been called verifications.

Q. Do you have requests sent up for a re-test of a serial number that you have in your possession?—A. Yes, that we call verification.

Q. When request is made for a re-test of a retained sample by an importer what authority of law is there for granting it?—A. Paragraph 33, under "Classification." What was had in mind at that time was that a retained sample should be kept in case of accident to the original sample or any question in the mind of the appraiser himself; and that the correctness of the original test might be determined. It would sometimes happen that a sugar might be imperfectly mixed and the portion under the original number may differ from the portion retained, and the merchant or importer coming to the sugar-room and complaining, and showing evidence of a lower test of that sugar, it would be in the option of the appraiser (asst.) or examiner in charge to verify the original test, and finding that correct to then send down the retained sample with another number and see if that gave the same result; then if it did not, ask for the verification of that that was in the minds of those who framed the regulation.

Q. You know as a fact that when importers and brokers come and ask for a re-test they do not submit their statement of facts?—A. I do not know. I have nothing to do with the matter of franking verifications. Inasmuch as disputes might arise I would have no hesitation in saying that to my mind the broker or importer before being granted any re-test ought to submit the facts that sustain the request. The mere request ought not necessarily imply compliance.

Q. Are there any marks, distinguishing or otherwise, which comes down to the laboratory?—A. The serial number is the only mark. There have been times when Mr. Remsen has sent us samples which had a letter on them instead of a number.

Q. Whose make of instruments (polariscope) have you in the laboratory?—A. Two of the instruments in use are known as the Scheibler instruments, and two are manufactured by Smidth & Haench, Berlin.

JULY 29 1887.

Dr. EDWD. SHERER, examination continued.

Q. The mark A 505 on that slip was the sound and B 505 is the damaged? It is evident to me, from the looks of it, that B was the damage and A was the sound. Does that $7\frac{1}{2}$ per cent. represent the damage?—A. No, sir. In accordance with the regulations, the difference in the water between the sound and the damage constitute one element of the damage; the difference in the polarization of the dry substance is another element of the damage. The only consideration in the allowance of damage which would weigh as far as the tests of these sugars go would be the difference in the water between the sound and the damage. The water in that of the sound 4.62 and the damage 7.50; the difference between those two would represent the damage so far as the test shows it. I have nothing to do with the warrant. My brother's allowance would be based upon that difference in water. The total intrinsic damage would be 2.88.

Q. Are the quartz plates that you obtain standard plates?—A. The name given them by the Germans as applied to those quartz plates is "normal," which I interpret to mean standard.

Q. Are you the Turkish consul at this port?—A. I am.

Q. When were you made Turkish consul?—A. I have acted in that capacity ever since 1872. My official appointment is dated March, 1877.

Q. Where is your office?—A. At 122 Front st., New York City.

Q. Have you a place of business down town?—A. I have not.

Q. Do you know of the laboratory which is operated under the name of Sherer Bros.?—

A. I do.

Q. Does that laboratory adjoin the Turkish consulate?—A. It does.

Q. Being connected by a door which is invariably open?—A. I have not visited the

Turkish consulate or laboratory for over three years. I have no knowledge of the present arrangement of communication as between those rooms.

Q. Have you at the present time any interest, direct or indirect, with the business of the firm of Sherer Bros.?—A. I have at the present time no interest, direct or indirect, in the business carried on as Sherer Bros.

Q. Who at the present time constitutes the firm of Sherer Bros.?—A. Mr. F. W. Eastman.

Q. Where does he reside?—A. At Roslin, Long Island.

Q. From whom did Mr. Eastman acquire the ownership of that business?—A. As regards that I am not clear. My connection with that business ceased when I entered the service of U. S. Gov. in 1880. I disposed of the business to Dr. Gideon A. Moore in 1880.

Q. Did a Mrs. Dix at one time own the business?—A. I believe so. She resides at 97th st., Marks ave., Brooklyn.

Q. From whom did she acquire the business?—A. That I am really unable to say.

Q. Was Mr. Jno. Sherer, the damage examiner, your brother, interested with you in this business of Sherer Bros. at any time?—A. Before Mr. Jno. Sherer entered the employment of the Department he was jointly interested with me in this business.

Q. Do you know whether he has had any ownership in it since?—A. He has had no connection with it to my knowledge since.

Q. Have you at any time sent or requested any of the employes in the laboratory to the laboratory of Sherer Bros.?—A. Yes, I have.

Q. Under what circumstances?—A. The circumstances occurred about 2½ years ago. I sent Mr. Landsman down to the laboratory in Front st., understanding he had a friend who wanted a situation, and understanding that my brother (who at that time was not in the service of the Government) wanted an assistant. I requested Mr. Landsman to go down and see him.

Q. Did his friend answer the purpose?—A. My impression was that he did not.

Q. Did you ever send any of the other employes of the laboratory to the laboratory of Sherer Bros.?—A. I have no recollection of having ever done so.

Q. Have any of the U. S. samples been tested at that laboratory of Sherer Bros.?—A. I have no recollection of any such matter. Now that you recall to mind the possibility of such an occurrence of a dispute having arisen as to the correctness of a test and the possibility of sending it down there with the view to ascertain if the result found there accord with the result found here, I will have to retract what I previously said. What you say recalls to mind the possibility of such an occurrence. I also call to mind that it was with the consent and knowledge of the appraiser, not Appr. McMullen, but Appr. Ketchum.

Q. Do you remember sending any of the examiners there to assist in the testing of general samples, not those which had occasioned a question as to the accuracy of the test?—A. Never by any possibility could I have done so.

Q. When you sold out your interest and the interest of Sherer Bros. was transferred to Dr. Gideon E. Moore, did you make any reservations in the bill of sale?—A. I think not. I don't remember.

Q. Have you a copy of the bill of sale?—A. I presume I have.

Q. Will you show me the bill of sale in the morning?—A. I think I must decline to do so.

Q. On what ground?—A. I am prepared to state the reasons to the Secretary of the Treasury in writing.

Q. Do you decline to state the reasons for declining to me?—A. I do.

The request of the Secretary, dated July 1, 1887, was then handed to Dr. Sherer, by Special Officer Byrne, and he continued:

A. I have not refused to give any promise. I do not regard the question you have asked me as having any connection whatever with the question of frauds or irregularities in the sampling of sugar, and I am not at liberty to do what you ask because the interests of another party are involved in doing so. It is a bill of sale in which he is concerned as well as myself. I have no objection to state my reasons to that extent.

Q. If the acts of officers of the Government while in the employ of the Government are always open to examining officers?—A. The act referred to was not an act while in the employ of the Government; a bill of sale of my private property before I entered the service is no bar to my official conduct subsequent to entering the service.

Q. Have you ever explained this matter at the request of any officer of the Government?—A. The subject of my possible or supposed connection with the Front st. business and with the Turkish consulate has twice been a matter of investigation.

Q. By whom?—A. The last time it was by Mr. McMullen, at the request of the Secretary of the Treasury. The first time it was at the request of Gen. Ketchum, by Col. Ayer. It has been twice reported upon to the Secretary of the Treasury, and once to the President of the U. S.

Q. You sold your right, title, and interest by bill of sale; was the bill of sale re-

corded?—A. You must excuse me for declining to give any further information about that subject.

Q. When you sold your interests of the firm of Sherer Bros., did you also give power of attorney to sign the name of Sherer Bros.?—A. I have already answered in general terms what covers the entire subject. I decline to go further into the subject.

Q. Is there any one at the present time who has the authority, under power of attorney, to sign the name of Sherer Bros. in connection with work done on sugar at the laboratory of Sherer Bros.?—A. The same answer will cover that.

Q. Do you decline to answer?—A. I decline to answer.

Q. Where do you transact the business of your consulate?—A. The business is transacted by the clerk who represents me there.

Q. Who is he?—A. His name is Mr. Burton Keys.

Q. Is he a relative of yours?—A. He is a connection of my brother's by marriage. He is in charge of the laboratory at the present time.

Q. Do the two offices connect?—A. I don't know.

Q. Have you executed to him power of attorney to annex the seal of the consulate to official documents?—A. He has my authority. It does not require any power of attorney. The business of the Turkish consulate is extremely limited. It is confined to the routine work of affixing the seal to clearances of vessels, &c., and it is a matter that very seldom requires my consideration at all. Official letters from the Turkish minister are forwarded by Mr. Keys, and he addresses them here.

Q. Do Turks having official business visit you at the U. S. laboratory?—A. No, sir. It has happened on one or two occasions that indigent Turks have found their way here, much to my disgust. I have instructed the watchman to say that the office of the Turkish consul is at 122 Front st.

Q. Have you ever sent for any officer connected with the laboratory to come and interpret for you?—A. I should say that would be hardly necessary.

Q. Do you recall ever having done so?—A. Yes; I think on more than one occasion. I have asked anybody in the laboratory who understood French. I understand it myself pretty well, but there have been letters on subjects with which I was not familiar, and where the phraseology was not clear I have asked the aid of any one who could give it—once of Mr. Landsman, once of Dr. Batkershaw, once of Mr. Benjamin; anybody that I could get to help me.

Q. Did you ever ask any of them to assist in interpreting from a Turk?—A. There was nobody there that could. I should have done it without hesitation.

Q. Do you derive any profit, emoluments, or benefits from the firm of Sherer Bros.?—A. I do not.

Q. Were you at one time engaged in the manufacture of bronze powder?—A. No, sir. At one time I invested some money in an enterprise of that sort.

Q. Who constituted the firm?—A. It was not a firm; it was a company.

Q. Who was the president, treasurer, and secretary?—A. I must decline to answer any question in connection with that matter. I lost every dollar I put into it, and the subject is a painful one. It is a matter of business involving other people and myself, and I must decline to answer any questions in relation to it.

Q. Was action brought against you in a New York court for rental of the building used for the manufacture of the powder?—A. Yes, I was made a party of the suit from the fact of having some money in it.

Q. Who was the man that sued you?—A. I must decline to answer. The suit was brought in a N. Y. court. I don't remember what court or what judge. I was called as a witness in that suit. I was on the stand for about five minutes. I was called, and in reply to questions, I stated that I was Turkish consul at the port of New York, whereupon the judge dismissed the suit. I had made no plea of that sort whatever and was prepared to waive any possible right I had in that connection. I was informed that I could not waive any rights I had. The judge said it was impossible for a suit to be brought against a foreign consul in that court.

The fact was brought out by my own attorney asking me my business. The plaintiff was informed that the proper way was to bring suit in the U. S. court, which he never did.

Q. Have you ever mentioned why?—A. No.

Q. Have you stated to certain of your associates that the reason was because the amount was less than \$500?—A. I may have speculated on that, but I really don't know that the amount must be \$500.

Q. Do you recall what court the suit was brought?—A. No, sir.

Q. Was the judge's name McAdam?—A. I think that sounds like it, and I think it probably was him.

Q. What time was it brought?—A. About 2½ years ago. I don't recall the date.

Q. Are there any clauses in these regulations which, in your opinion, should be changed or modified in any particular?—A. Well, I should hardly think it worth while to sug-

gest any alteration unless there was an alteration in the tariff. I think the Government gets all the duty it is entitled to.

Q. Do any importers or brokers visit the laboratory?—A. No, sir.

Q. Did Col. Burt?—A. He was once in the office of the laboratory for about five minutes. It was the only occasion.

Q. Does Mr. Dreyfoss?—A. Never been there to my knowledge, and I only saw Col. Burt once. Col. Burt and I are on friendly relations, not intimate.

EDWARD SHERER.

Sworn and subscribed to before me this 30th day of July, A. D. 1887.

T. AUBREY BYRNE,
Special Treasury Officer.

EXHIBIT 105.

NEW YORK, July 11, 1887.

CHARLES H. TRAINER, appointed sampler, and acting as clerk, states as follows:

I first commenced my duties in the sugar division June 6, 1885. My duties are that of a general clerk in the office of the assistant appraiser of the 8th division. I make out the tabulated daily statements of the classifications of sugar. I never see or handle the certificates of tests from the laboratory. I have never seen Mr. Jas. Burt scrutinize the invoices or papers of any importers other than those he represents. I have never seen Mr. Burt in the sugar-room, nor have I seen him go there. I put the invoices of the firms that Mr. Burt represents in the invoice blotter, while the memorandums of other invoices of other importers I put underneath this book. As a general thing he looks in that book every day. This book always lays upon an unoccupied desk, and where other official papers are sometimes placed. Mr. Burt uses this desk when he visits the office, which is almost daily, and where he writes his requests for re-tests after perusal of his notices. It is the custom to retain Mr. Burt's invoices at his request, pending a request for re-test or re-sample, which custom I found in vogue from the time I went in the office as clerk.

He always asks for re-tests when he is dissatisfied with his classifications, and is always granted them. He writes his requests on the official headings of the appraiser's office, and has them sent to the examiner in charge of the sugar-room, and sometimes he has requested the messenger to carry them into the sugar-room. Notices of all other importations of sugar—that is, the notices of classification—are put on my desk, while, as stated before, Mr. Burt's notices are put on the desk he usually occupies when visiting the 8th division. About three months ago Asst. Appr. Tice said he would like to know what changes were made from original test of an invoice, and I suggested pinning to the invoice the requests of the brokers for re-test and re-sample. This has since been done. I have seen employés of this building, and not employed in the 8th division, in the sugar-room. I write the tabular statements of sugar classified each day, about 3 o'clock in the afternoon. On the following morning I make out the exchange sheets for Boston and Phila. I write up the tabulated sheets from the invoice after the daily classifications have been made; therefore these sheets show the correct classification. This I assert positively. I have charge of the returning of the invoices to the invoice bureau, and they are returned properly at the rate of about 25 per day as the classifications are made, and if there is any detention of invoices it is not in the 8th division.

The invoice of A. D. Hitch of 3,800 bags sugar per "Bella Rosa," May 21, '87, entered in warehouse, on which original test was made of 81.30, 80.20, 80.60, 81.50, 81.00; re-test on May 28, 81.30, 81.70, 81.50, 81.50; accepted test 81.00, and in which the importer is represented by Mr. Burt, was found between the leaves of the invoice blotter, and both Mr. Trainor, the clerk, and Examiner Rensen declare was mislaid and should have been returned June 1, last. The invoice blotter in which this was found was the book that Mr. Burt has the exclusive use of. I know as a matter of fact that Examiner Bowne details the samplers, and that Asst. Appraiser Tice does not.

CHAS. H. TRAINER.

Sworn and subscribed before me this 11th day of July, 1887.

T. AUBREY BYRNE,
Spl. Treasury Officer.

NEW YORK, July 28, 1887.

C. H. TRAINER, sampler, acting clerk in the 8th division, further states as follows:

It has been the practice in our office in the 8th division under Asst. Appraiser Frank Hay, up to March 1st last (1887), to write the test of classifications of sugars on the "daily tabulated statement of classifications" (such as are exchanged between the

ports of Boston and Philadelphia, as provided in par. 4, S. S. 6859), from the notices as mailed to importers, informing them of the classification of their sugars.

Since that time Asst. Appraiser Hay, about March 1st, instructed me to copy the classification from the invoices as made up each day. The reason he gave for ordering this change of practice was "that changes might be made in the classification on subsequent tests, made at the requests of brokers and importers."

This order was issued to remedy the cause of complaints made at Boston in regard to the errors in the tabulated statements of classifications as furnished from the appraiser's office at New York.

CHAS. H. TRAINER.

Sworn and subscribed to before me this 28th day of July, A. D. 1887.

T. AUBREY BYRNE,
Special Treasury Officer.

PORT OF NEW YORK, APPRAISER'S OFFICE,
402 Washington Street, July 11, 1887.

T. AUBREY BYRNE, Esq.,
Special Agent U. S. Treasury:

SIR: I desire to state in connection with my testimony, given this day, that the desk on which Mr. Burt writes his requests for tests and re-tests (styled as an unoccupied desk in the testimony) is situated in front of the one used by me, and placed in such a manner that no person using it can read whatever papers lay on my desk. The desk in question is used by a number of persons who have business to transact in the office of the 8th division. I have always understood that this desk and blotter (also referred to in testimony) was retained for the accommodation of any person who might desire to use them. "As to memorandums and other invoices placed beneath that blotter," I wish to say that these memorandums are not ones of invoices, such as cost, description of merchandise, test of the same, &c., but simply memorandums in relation to information desired from importers by officers of the 8th div., such as location of vessel, possible time of discharging, &c.

This information is intended for the U. S. samplers in order to facilitate their work and is of no benefit whatever to any other parties. "As to invoices being detained at the request of Mr. Burt (pending a re-test and re-sample):" These invoices are ones as to cargoes belonging to the importers whom he represents and no others. I make these explanations for the reason that my testimony as written would, on being read (by a person not understanding the circumstances), create an impression not in accordance with the facts, and I am ready and willing to make oath to the correctness of said explanations.

Very respectfully,

CHAS. H. TRAINER,
8th Division.

U. S. TREASURY DEPARTMENT, May 26, 1887.

A. D. HITCH, ex *Bella Rosa* (upon 3,800 bags).

Original tests: 81.30, 80.20, 80.60, 81.50, 81.00.

Retest: 28th, 81.30, 81.70, 81.50, 81.50 (accepted test). (?)

A. G. REMSEN, *Err.*

PORT OF NEW YORK, APPRAISER'S OFFICE,
402 Washington street, May 28, 1887.

To the APPRAISER:

We are dissatisfied with your test of our 3,800 bags sugar per *Bella Rosa* and have to give notice that we desire to have these sugars re-tested and re-sampled. (No changes on re-test.)

Very truly, yours,

HAVENMEYERS & ELDER.
Per J. R.

12258.]

(Copy.)

[73801.]

Consular invoice of 3,800 bags Brazil brown sugar, purchased by Henry Foster & Co. in April, '87; shipped at Parahyba for New York, per Brit. b'gtine *Bella Rosa*, Bowden, master; consigned to the London & Brazilian Bank (ltd) by order and for account of whom it may concern.

A. D. HITCH.

(Written in red ink:) Not above No. 13, D. S.; test, 81.00; \$1.64.

3,800 bags sugar, weighing net 285,000 kilos; cost, free on board, including all charges and comm. ex freight ----- £2, 289 14 11
Equivalent to a 21½ exchange ----- R. 25, 559, 950

E. & O. E.

Pernambuco, 14 April, 1887.

pp. HENRY FOSTER & Co.
I. SWIFT, Jr.

[Custom-house stamp, May 21, '87.]

[Ware-house, 6th div., May 21, '87.]

(J. Burt, broker).

(Written in red ink:) Sugar as noted. May 31, '87. Correct.—A. G. R.

EXHIBIT 106.

JOHN A. SHERER, damage examiner 1st division U. S. appraiser's store (Asst. Appr. Moore in charge of division), duly sworn, declares as follows:

Examined by Special Officer BYRNE:

Q. Have you been engaged in making damage allowances to-day?—A. No, I can't say that I was. I have been examining to-day.

Q. Where?—A. At Woodruff's stores.

Q. Have you made any previous examination of the damaged sugars?—A. Yes, sir.

Q. You have completed your examination of the damage sugars?—A. I can't say that I have. I shall probably see them again before I get through.

Q. You have already ascertained the result of the damage samples?—A. Yes.

Q. And this slip that you now hand me is the result?—A. Yes.

Q. You have ascertained that the polariscopic test of the damage sample is 80.30, the dry test is 86.31, the mark is 505B, moisture is 7.50 per cent. This application for damage allowance covers the importation of Geo. Ropes, barque *Jessie Troup*, from Iloilo, date July 19th, 1887, landed from June 27th to July 13th, and embraces 3,500 bags, the marks being A., B., and C., landed at Woodruff's stores?—A. Yes; the application was received by me on the 25th July.

Q. You next worked on it?—A. The day before yesterday—the 26th.

Q. The day you drew your samples of damaged sugar?—A. Yes, to-day I drew the sample of sound sugar; I did not examine the vessel; when it is practicable I do so. It was not done in this case; it was already discharged when I saw the warrant.

Q. Your work, so far as the ascertainment of damage is concerned, simply depends upon the ascertainment of the result of the dry test of the sound sugar?—A. I don't say altogether, because I expect to see this sugar again; I am not entirely satisfied about it. I almost always draw my own samples.

Q. You were appointed damage examiner when?—A. I was appointed sugar examiner on 1st Jan'y, 1880, and I was assigned to my present position by order of Appraiser Dutcher. My position has never changed since except that. I am a general damage examiner, not specially on sugar.

I resigned in 1884. I think it was about July or August, 1884, and reappointed on the 1st Sept.

Q. During that interim were you engaged in business?—A. Yes.

Q. Where?—A. 122 Front St.

Q. At whose place?—A. At Sherer Bros.; the business was conducted under the name of Sherer Bros.

Q. And during that interim you engaged in business there?—Yes.

Q. Who was on charge of the business at 122 Front St. prior to your resignation?—A. Mr. Wm. J. Rigney was in charge of the business there.

Q. And when you took charge of the business was he still there?—A. No, sir; he made arrangements in another business for himself.

Q. You stayed there for about how long?—A. I suppose about 30 days.

Q. And during that time you arranged and put another man in your stead?—A. Yes, another man took charge of it. I sold out the business after I left there as soon as I could do so.

Q. To whom did you sell the business?—A. I sold it at that time to a Mrs. C. B. Dix, a lady who had a son in the business. He was about 19 or 20 years of age.

Q. What was he doing?—A. He was testing sugars.

Q. Reading by polariscope?—A. Yes.

Q. You say this young man was using the polariscope and testing sugars?—A. Yes, sir.

Q. Who else was employed there at the same time?—A. Mr. Keys and Dr. Shreiber.

Q. Who was in charge of the office?—A. Mr. Keys. He was an employé of Mrs. Dix.

Q. Was Dr. Shreiber?—A. He was doing other examination work there; he was not receiving any salary; he was doing his own work and receiving his own pay for it.

Q. Mr. Keys is a relative of yours?—A. He is a brother-in-law.

Q. He is at present in charge of the laboratory there?—A. Yes, sir.

Q. Who paid the employés at that time?—A. Mr. Keys. He paid them, I suppose, by money out of the collections.

Q. Who at the present time is in charge of the firm's business?—A. Mr. Keys is still there, carrying on the business under the firm of Sherer Bros.

Q. You always have your samples of damaged sugars tested in the laboratory?—A. Yes, sir.

Q. Have you ever tested sugars at the laboratory of Sherer Bros.?—A. I have.

Q. What authority had you to test sugars there?—A. I had the authority of Appraiser Howard.

Q. In writing?—A. No, sir; verbal permission to use that laboratory.

Q. What men connected with the U. S. laboratory have assisted you in testing damage sugars at the laboratory of Sherer Bros.?—A. No one has assisted me there.

Q. Has Dr. Sherer ever tested sugars at the laboratory of Sherer Bros.?—A. No, sir.

Q. Have any of the employés of the laboratory ever tested sugar while you were there?—A. No, sir.

Q. Who constitutes the firm of Sherer Bros.?—A. Sherer Bros. belongs to F. M. Eastman.

Q. Where does he reside?—A. At Roselin, L. I.

Q. When did he purchase the interest of the firm of Sherer Bros.?—A. In January, 1885. He purchased the interests from me at that time. However, I don't see how this is pertinent to the subject, Mr. Byrne. (Mr. Byrne reads Secty's instructions.) This has nothing whatever to do with any fraudulent transactions whatever, any more than it has to do with the man in the moon.

I decline to answer anything further except to state in general terms that I have no connection with that business, and never had any connection with it since I was connected with the Government employ, either as manager or director.

If you wish a voluntary statement, I state further that I go there with my damage samples, and do so at present, have done so very frequently.

I have reserved the right to do that in the bill of sale, and it applies personally to me. I have no right to bring other people there, or to do anything else there, but I have reserved that right for the interests of the Government and the convenience of myself in doing my duty.

Q. Have you a bill of sale of the interest of the firm to Mrs. Dix?—A. I have.

Q. You say you made reservation of certain rights which you were to have in the laboratory?—A. Yes, sir.

Q. Did you make this reservation when you made your sale to Mrs. Dix?—A. I believe I did.

Q. When the business came back into your possession you then sold it again to Mr. Eastman?—A. I transferred it to Mr. Eastman immediately.

Q. In that interim you were out of the service?—A. I was not altogether.

Q. Then there was a portion of the time that you did own the business while employed in the U. S. service?—A. There was no portion of that time at all, because when one gave it up I transferred it to the other.

Mrs. Dix owned the business until Mr. Eastman took charge of it, and she owned it for about three months. When she took it I immediately returned to the U. S. service. She kept it till Mr. Eastman took it. I made the arrangement with Mr. Eastman; the business reverted to me for the purposes of transfer only.

Q. Will you put me in possession of the original transfers to Mr. Eastman and to Mrs. Dix?—A. No, sir; I can not do that, because that relates to their business. I would not do it without their consent.

Q. Are those bills of sale recorded?—A. They are not matters of record.

Q. Were you interested, directly or indirectly, with the manufacture of bronze pow-

der?—A. Yes, sir; I was interested in the company organized for the manufacture of bronze powder. How has that got anything to do with sugar? I have no objection to telling you I was interested in the manufacture of bronze powder, but I was out of the service. I had some money in it which I unfortunately lost.

Q. Who was a partner with you in the manufacture of bronze powder?—A. I had no partner; it was a company, a stock company.

Q. Who were the presdt., treas., and secy.?—A. The officers never succeeded in being elected. I took the management of it for a short time. Mr. Jas. H. Ruggles succeeded me. He is a Brooklyn man.

Q. Was Mr. Eastman interested with you?—A. No, sir.

Q. You manufactured the bronze powder?—A. We never manufactured any at all.

Q. Did you not open a place for manufacturing it?—A. We bought our factory; we put our money in the factory, and it was intended for the manufacture of bronze powder, but none was made.

Q. Was Dr. Sherer interested?—A. Dr. Sherer put in a small amount of money at my instigation, which he lost; very much less than a thousand dollars.

Q. The business did not prove a success?—A. No.

Q. There was a claim made for the rental of the building?—A. Yes, sir; I see you have got it all. I paid the rent because I was liable for it.

Q. To whom?—A. I had a verbal lease to the first of May, '86, and of course I had to pay the rent up to that time, and did so; but they claimed a month's rent which I refused to pay. They sued me, but I don't remember what occurred; beyond this I decline to make any further statement. It is something that is not pertinent to the frauds in sugar. I say that we invested some money in that business and lost it. I invested when I was out of the service of the Government, and what I did was only to try and recover it.

Q. In what court was the action brought against you?—A. It was in a New York court. I don't remember what court, and I answered the suit with my brother.

Q. What was the result of the suit?—A. It was thrown out on some technicality.

Q. What was the technicality?—A. That is a personal matter and I decline to answer.

Q. As an officer deputized by the Secretary to examine all officers and employes connected with the appraiser's store into their acts as officers while acting under instructions, I repeat my question. What was the technicality which threw out the suit from the New York court where you and Dr. Edward Sherer were sued for rental of a building in which bronze powder was manufactured by you during 1885 and 1886?—A. That is a matter which you will have to ask Dr. Edward Sherer about. I decline to answer; it is personal to him.

Q. Why is it personal to him?—A. I had nothing to do with that.

Q. Then the suit was not brought against you?—A. Yes, it was brought against me.

Q. Why did Dr. Edward Sherer answer the suit?—A. It was brought against both of us.

Q. Then you both engaged in the manufacture?—A. It was because he had money invested.

Q. Did you make any of that powder and sell it?—A. No, sir.

Q. Did you not offer for sale that bronze powder on Long Island?—A. No, sir.

Q. Was not some of that powder brought and shown to officers in the laboratory?—A. Not that I know of.

Q. Mr. Sherer, as an officer of the appraiser store, who according to your statement was engaged in a commercial transaction during the time that you were serving the Government in the capacity of a damage examiner of sugar, I ask you to give me fully all the facts connected with the closing of the said action against you for rental of a building in which yourself and Dr. Edward Sherer had been engaged in making bronze powder, the reason why the suit was thrown out and the facts connected with it, in order that I can transmit the same to the Hon. Secy. of the Treasury.—A. As the question which you have asked is not at all pertinent to the subject in which you have examined me I decline to answer.

Q. Have you ever tested damage sugars at the office of Sherer Bros. at night?—A. No, sir.

Q. Have any of the officers of the U. S. laboratory assisted you in testing damaged sugars at the laboratory of Sherer Bros.?—A. No, sir.

Q. Have you any interest, direct or indirect, in the business of Sherer Bros., 122 Front st., New York city?—A. I have none.

Q. Do you realize therefrom any emoluments or benefits?—A. You just asked me that question.

Q. One refers to money, the other refers to privileges?—A. I have the privilege of examining my damage sugars there.

Q. Have you no other privileges there nor interest?—A. I own some apparatus, some chemical apparatus there.

Q. Not included in the bill of sale?—A. Yes, sir.

Q. Will you give me or show me the original bills of sale?—A. No, sir; I can't do that without the consent of the other parties. I don't think it is pertinent to the case.

Q. In the bill of sale or transfer as made, does that give the power to sign the name of Sherer Bros.?—A. It does.

Q. In all cases?—A. Yes.

Q. Did you execute a power of attorney to that effect?—A. No, sir.

Q. Was Dr. Gideon E. Moore ever employed at that laboratory?—A. Never employed; he owned the business at one time.

Q. Who is the Turkish consul at this port?—A. I believe my brother, Edward Sherer, is; his office is at 422 Front st.

Q. How does it stand relatively to the laboratory of the firm of Sherer Bros.?—A. I can not answer any questions in regard to my brother in connection with the Turkish consulate; he can, no doubt, answer them satisfactorily himself.

Q. Is there a room connected with the laboratory of Sherer Bros., 122 Front st., that is not used for laboratory purposes?—A. No; there is a room there that is used by both. It is used in common by the Turkish consul and the people of the laboratory. I was there to-day. I took my sugar there.

Q. Did you have this test of sugar made there?—A. No, sir; it was made here in the Government laboratory; that is the only certificate that I received from the laboratory.

Q. Was it handed to you in person?—A. It was given to me by Mr. Flowers.

Q. Are certificates of damage sugar made out on such slips of paper?—A. Usually, yes; inclosed in such envelopes and addressed to me.

Q. You never have the polarization of damage samples made out upon forms prepared and furnished by the Department?—A. No, sir.

Q. Who has signed that memoranda?—A. "B." up there stands for Ball.

Q. Does not Mr. Ball always make the tests of damage sugar?—A. No, sir.

Q. Invariably?—A. No, sir.

Q. Usually?—A. I don't know who does it. I know he does it sometimes.

Q. Has he not been detailed by Dr. Sherer?—A. I don't know, sir.

Q. Then this slip is the only memorandum you have of the polarization of damage samples at the laboratory?—A. The only one. They are on record in the laboratory.

Q. The regulations require that the classification of damage sugar when made shall be noted on tabulated sheets at the close of each business day?—A. Yes.

Q. Is that paragraph of the regulations complied with?—A. I don't know, sir.

Q. You know that the result of damage allowances is not posted upon the classified sheets?—A. I don't know that.

Q. Did you ever see them?—A. No, I never saw them.

Q. Did you ever give to the clerks in the eighth division information as to the classification of damage sugar?—A. No, sir.

Q. Is this regulation No. 50 complied with?—A. I don't know that it is. I don't know anything about it. I have read the paragraph. I understand that it refers to the collector. I never had occasion to notice whether it was carried out or not. When my returns are made I never see them any more. They are made in the authorized way to the asst. appr. of my division, who signs them; they pass out of my hands with that.

Q. You always sign the damage warrants when you are here?—A. Every one that I myself make.

Q. Does any one else sign these warrants?—A. Not my papers.

Q. And you as damage examiner alone sign the documents?—A. As a rule I am the only one. I am recognized as the damage sugar examiner.

Q. Is it competent for the ass't appraiser to assign any one to this work?—A. It is.

Q. The regulation requires that in so far as practicable, you examine the vessel and see its condition when claim is made for damage?—A. I do that whenever practicable.

Q. When and what vessel did you last examine?—A. I can not tell just now. I don't remember any particular vessel. In about one instance in ten. When I see a vessel discharging on which there is damaged sugar, I go on board the vessel and examine her, anticipating a warrant for damage, which usually occurs.

Q. Who are the damage brokers who make a speciality of damaged goods?—A. I don't know.

Q. Who are the most prominent damage brokers that you most often come in contact with?—A. I don't come in contact with any of them on sugar.

Q. Do you know Mr. Kippen, and is he a damage broker?—A. Yes.

Q. Do you know Mr. Jones, and is he a damage broker?—A. Yes.

Q. What is the rate damage brokers usually get on sugar?—A. I don't know anything about it.

Q. Does Mr. Jones live in your town?—A. No, sir; not now, he did once, I believe.

Q. Do damage brokers come to the office of Sherer Bros.?—A. No, sir. I want to say that I never saw any one on Government business at that office.

Q. Does Mr. Joseph Dreyfoos call at the office of Sherer Bros.?—A. I don't remember,

Q. Where is his office?—A. Cor. of Pine and Front I think. I don't remember the number.

Q. Is that where his office is at the present time?—A. I believe so.

Q. Don't you know that, as a fact, Mr. Dreyfoos is in the same building as that of the office Sherer Bros.?—A. No, sir; I do not.

Q. Do sugar brokers hand you their sugars down town to be tested?—A. No, sir.

Q. Have you not tested sugars after office hours at the office of Sherer Bros.?—A. No, sir.

Q. How long does it take a damage warrant to pass through its various evolutions from the time that you receive it until it is returned to the custom-house?—A. That depends upon how long it takes me to get the return from the laboratory, and how long it takes me to get all the facts I want relative to damage—sometimes a few days; sometimes a couple of weeks. If there is any reason for delay I don't return the warrant until everything is satisfactory—generally within two weeks.

Q. Do you send your sugar to the laboratory?—A. I generally take them up, and sometimes send them by messenger.

Q. Who do you hand them to there?—A. Anybody that happens to be there.

Q. Do you state whose sugar it is when you take it there?—A. No, sir.

Q. Do you remember seeing me there?—A. I do, sir.

Q. Whose sugar was it you had that day?—A. I don't know.

Q. Did you tell Dr. Sherer whose sugar it was?—A. No, sir.

(Mr. Byrne makes the statement that on the day referred to by Mr. Sherer when he handed damaged sugars to Dr. Sherer for test, he stated to Dr. Sherer whose sugar it was, and that he would supply the name.)

Mr. Sherer then said, I desire to state under oath that that is false.)

Q. How long usually is it before you get the return from the laboratory?—A. Generally three or four days.

Q. You did not know that I was an officer when you saw me that day?—A. No, sir; not at the time.

Q. How do you know damagesamples?—A. I know by the appearance of the package.

Q. Are the packages stencilled?—A. No.

Q. What is the object in waiving the stencilling?—A. Because the importer makes a statement that the goods are intended for consumption, and are not going out of the port, when the collector then waives stencilling.

Q. If the bags of damaged samples are stencilled "damaged," then those goods can not be sold as sound, can they?—A. I should think it would be difficult to do so. It would be detrimental to them.

Q. Do you ever find any sound sugar in the damaged packages?—A. Yes.

Q. Did you find some sound bags mixed with damaged bags?—A. Yes.

Q. Who lays out the damaged packages?—A. Generally the store-keepers; I mean the warehousemen.

Q. You don't see the damage packages until you are sent to draw your samples?—A. I don't see them without a warrant to go there, or except I happen to be there at the time.

(Paragraphs 43 to 47 inclusive were then read, and Mr. Sherer stated that it is useless to read them as he knew them all by heart, as he assisted in framing them.)

Q. Have you ever seen any tables made up in this form, in which result of a damage sugar sample is made out?—A. None but that; there are none furnished by the Department.

Q. What do you understand was the object in the framing of par. 47?—A. To give the examiner information how to go to work to make out his damage allowance.

Q. Who assisted or made out the original clauses relating to damage in the sampling regulations of 1883?—A. I had a good deal to do with it.

Q. Who did you talk them over with?—A. Col. Ayer.

Q. Who else was present with you?—A. I don't remember that any one else was.

Q. Was Col. Burt present?—A. No, sir.

Q. Did you ever see him in company with Col. Ayer while talking about and framing the regulations?—A. No, sir.

Q. Do you know Col. Jas. Burt?—A. Yes, sir.

Q. He is a sugar broker, is he not?—A. He represents several importers of sugars, I believe.

Q. Does he visit the laboratory at the appraiser's store?—A. Not that I know of. I never saw him there, but have seen him in the hall. I don't think I ever saw him in the damage division.

Q. Did you ever see him in the appraiser's room?—A. No, sir.

Q. What is meant by commercial damage?—A. Damage where mat and bag sugars are stained and wet without being intrinsically damaged; where the sugar is damaged

in color; that is, would not sell for sound sugar, although not damaged; as we express it, "degraded in color."

Q. Does that apply to any other goods?—A. No, sir.

Q. Who coined the term commercial damage?—A. I don't know.

Q. Did not you really frame this paragraph 48?—A. It was my idea and I suggested it, if I did not frame it.

Q. In its application to other commodities it may mean the covering?—A. Yes.

Q. But from the context of this paragraph, it means the sugar itself, does it?—Yes, sir.

Q. What is the average damage on steam-ship centrifugal cargoes of sugar?—A. Very little; excepting bags, there is seldom any damage on sugars conveyed on steamers—probably less than one per cent.

Q. On what kind of sugar is the heaviest damage?—A. On East India sugars usually, viz, Philippine Island sugars.

Q. Do damage brokers visit the wharves?—A. I have seen Jones and Kippen on the wharves, but they never come where I am.

Q. Do you reside in Flatbush?—A. Yes, sir.

(On the margin.) Page 24(17) with corrections and additions annexed hereunto.

JNO. A. SHERER.

Sworn to and subscribed before me this 12th day of Aug., 1887.

T. AUBREY BYRNE,
Special Treasury Officer.

(17)

NEW YORK, Aug. 12, 1887.

I desire the following changes made in my testimony hereunto annexed, to wit:

- (1) Page 1. Answer to question four (4): Strike out word "probably."
- (2) I said in addition, the sugars were not in condition to examine properly.
- (3) Page 1. Answer to question 5: Yes, of the sample taken at that time.
- (4) Page 5. Answer 7: Verbal *authority* instead of verbal "*permission*."
- (5) Page 6. Answer 4: Strike out all preceding "F. M. Hastman."
- (6) Page 6. Fourth line from bottom: "To put up," interlined.
- (7) Page 7. Sixth line from bottom: Strike out "altogether."
- (8) Page 18. Thirteenth line from bottom: "That he ever did, to be added."
- (9) Page 21. Middle clause (—), add: "As I assisted in framing them."

JNO. A. SHERER.

Sworn and subscribed to before me this 12th day of Aug., A. D. 1887.

T. AUBREY BYRNE,
Spl. Treasury Officer.

AUG. 12, 1887.

Upon referring to my stenographic notes I find as follows:

Change No. 1, as above, the word *probably* was used by the witness, and the words alluded to in change No. 2 were not used by the witness.

Change No. 3 is not correct, as he answered only "yes."

Change No. 4 is not correct, as he used the term "*verbal permission*."

Change No. 5 is not correct, as he used the words in evidence preceding F. M. Eastman.

Change No. 6 is not correct, as he said, "I go there with my damaged samples."

Change No. 7 is not correct, as he said, "I was not altogether; no."

Change No. 8 is not correct, as he said, "I don't remember."

Change No. 9 is correct.

This last change is the only one made by the witness which is borne out by reference to my notes.

H. W. KERR,
Stenographer.

Sworn to and subscribed before me this 12th day of Aug., 1887.

T. AUBREY BYRNE,
Spl. Treas. Officer.

NEW YORK, July 29, 1887.

I, T. Aubrey Byrne, special Treasury officer, having duly sworn Damage Examiner John A. Sherer, previous to taking the testimony of said officer, said testimony with questions and answers being hereunto annexed, certify that it is substantially correct in every particular, and the reason of its not being signed by the officer under examination, Mr. John Sherer, arises from the fact that the asst. appraiser of the damage division stated he was suddenly called away from the city by the serious illness of his child, and

would not return for several days. This statement was taken yesterday, the 28th instant, about 4 o'clock p. m.; the testimony being ready for signature this morning, the 29th instant.

T. AUBREY BYRNE,
Special Treasury Officer.

I hereby certify that the transcription of the testimony of Mr. John Sherer, above referred to, is a correct copy from my stenographic notes.

H. W. KERR,
Stenographer.

EXHIBIT 106½.

AUG. 12TH, 1887.

(Add to John A. Sherer's testimony.)

At my request Damage Sugar Examiner Jno. A. Sherer met me at the custom-house.

His evidence was presented to him for approval and signature. He made some nine changes in the testimony, thereby qualifying certain statements that he had made.

Upon reference to the stenographer's notes, I find that the changes were not properly made, inasmuch as the statements made in that testimony were a transcription of the notes taken by the stenographer at the time the evidence was given.

Mr. Sherer referred to the statement made by me, that he had given the name of the importing firm whose sugar he had handed to Dr. Sherer at the time that I was present in the laboratory engaged in conversation with Dr. Sherer, the chief chemist there.

He asked me to give him the name of the firm whom he said the damaged sugars belonged to. I stated that I would give the name to the Secty. of the Treasury. He said that he knew that I had said that he, John Sherer, had given the name of the owner of the damaged sugar to his brother, Dr. Sherer, for Dr. Baker, chemist in the general laboratory, had told him that at that time (last fall) I remarked to him in substance the above fact, which was not a fact, inasmuch as he did not name the importer to Dr. Edward Sherer.

In connection with his interest in the manufacture of bronze powder, he said that he had engaged himself in that business at a time when he was out of the Governmt. employ and that while he was engaged in that business he was not an officer connected with the customs service.

That although the suit for rental of the building used by the bronze powder manufacturing firm was not brought until early in 1886 his connection with the firm was a year prior to that time, viz, in 1885.

That no goods were made and sold or offered for sale. That he still is unable to remember the court in which the suit was brought, neither did he remember the name of the judge before whom it was tried.

He refused to state the name of the party who brought the suit; he said that his memory failed him in regard to the matter, as it was a disagreeable subject to him, and that I had no right to enter upon it again at the investigation.

T. AUBREY BYRNE,
Special Treasury Officer.

EXHIBIT 107.

NEW YORK, July 14, 1887.

ROBERT RIGNEY, examiner in laboratory, states as follows:

I was appointed July 12th, '83, as examiner. My specific duties are the polarization of sugar samples. There are other polariscopists in the laboratory, among them Mr. Theodore G. Morse; he does not read any tubes, for what reason I do not know. Occasionally Ernest J. Chapman reads the tube; he is a messenger; he simply puts his initials to his certificates of tests. Capt. Flowers, sampler, acting clerk, has made tests, more formerly than at the present. There are only two standard quartz plates in the laboratory belonging to the Government, that I know of, which read 99.1 and 96. Dr. Sherer, chief chemist, has stated to me that the value of the 99.1 quartz plate was correct. I think he told me he had it tested by Dr. Moore. I never heard of a certificate having been given by Dr. Moore certifying as to the correctness of the marked value of the 99.1 quartz plate. The tube which usually carries the 99.1 quartz plate is labelled 99.1, so marked, I think, by Mr. Abbott, an examiner in our laboratory. Dr. Shere

has told me that I had examined the quartz plate that had been sent to Boston, but I have no recollection of it. I have seen Dr. Sherer in conversation occasionally, but not recently, or within a year, with Sugar Broker Burt, in the passageways of the public store.

I was at one time, immediately prior to my appointment as examiner in the laboratory of the appraiser's store, in the employ of Sherer Bros., 122 Front st., this city. I do not know who constituted the firm of Sherer Bros. I received my check* for salary from Mr. John Sherer, which were signed either by John Sherer or Sherer Bros. I think they were drawn on the Marine Bank, recently failed. At the time I left there my brother, W. J. Rigney, and a boy were also employed. I have seen Mr. John Sherer there frequently, and Dr. Sherer there once. I believe Dr. Sherer was and is Turkish consul, and the Turkish consul's office was immediately adjoining the laboratory of Sherer Bros., and connected by a door. He walked into the laboratory of the firm one day from the consul's office, talked with me a few minutes, and walked out. I assisted Mr. John Sherer in testing any samples of sugar that he brought in, but do not know if they were damaged samples or not. I think Mr. Burton Keyes is employed by Sherer Bros. at their place, 122 Front st., and that he is a relative of Mr. John Sherer. I do not know that Mr. John Sherer or Dr. Edward Sherer are members of the firm of Sherer Bros.

I understood about three years ago that Dr. Gideon E. Moore was in charge of the business of the firm of Sherer Bros. I wish to qualify that by saying that he was the owner of the business.

About a year ago I heard that Dr. Sherer was interested in the manufacture of bronze powder.

I have heard it stated that Jas. S. Dale, of the 8th division, loans money to employés and receiving a bonus for the consideration.

If a doubt arises in the mind of myself as a polariscopist when reading the test of a sample, when one-tenth of one per cent. (one-tenth of one degree) will change the classification for duty, I take the lower classification.

I have heard the remark made in the laboratory when sugars came in late or to be re-tested that "I suppose this is some of Burt's sugar."

From my experience as a polariscopist I freely state that I do not consider C. P. sugar as reliable when testing my polariscope as the quartz plate, which I consider more reliable than a sugar solution. Boneblack used in clarifying sugar solution will influence the solution to a greater or less extent, and will lower the reading.

ROBERT RIGNEY.

Sworn and subscribed before me this 15th day of July, A. D. 1887.

T. AUBREY BYRNE,

Spl. Treasury Officer.

JULY 15TH, 1887.

ROBERT RIGNEY, continued.

MR. T. A. BYRNE:

DEAR SIR: I desire to amend my testimony so as to show the time referred to in the paragraph commencing on line 12, page 2, and to state that the transaction referred to was in 1882. Also, in that portion of the testimony on page 2 which states that Dr. Sherer walked into the laboratory of the firm of Sherer Bros. from the consul's office. I think he came in from the passage-way of the building.

ROBERT RIGNEY.

Sworn and subscribed before me this 15th day July, A. D. 1887.

T. AUBREY BYRNE,

Spl. Treasury Officer.

JULY 15, 1887.

ROBERT RIGNEY, continued:

To-day S. F. Ball, employed in the laboratory polarizing sugars, asked me one question in regard to my examination in this investigation, which I refused to answer. We had other conversation on the subject of the investigation in general. I can't recall what the question was relating to this investigation that Mr. Ball asked me this morning.

ROBERT RIGNEY.

Sworn to and subscribed before me this 15th day of July, A. D. 1887.

T. AUBREY BYRNE,

Special Treasury Officer.

*Erasure of s made only by witness (checks).

EXHIBIT 108.

NEW YORK, *July 15, 1887.*

THEO. G. MORSE, examiner in laboratory, states as follows:

I was originally appointed as messenger and detailed as clerk in second division Nov. 1st, 1880. I was transferred to sugar laboratory Mar. 25, '84, and became an examiner about one year later.

In October or November of 1886 Examiner Abbott, who was in charge of the laboratory during the absence of Dr. Sherer, informed me that I would not be allowed hereafter to read the sugar solutions in the polariscope as formerly, and that some one else would read them after I had fully prepared the solutions for reading. To this I demurred, and asked his authority, to which he replied that it was by Dr. Sherer's direction. Since then I have not read the polariscope.

I know Jas. S. Dale, an employé who carries messages and sugar samples between the sugar room and laboratory. I have heard that he loaned money to employés, and that he charged different rates to different persons. I have also heard that he charged very high rates in some instances. I think I have heard that he charges as high as ten per cent. a month. I have borrowed money of him, and think I paid him at the rate of either 5 or 10 per cent. a month.

I have never visited the laboratory of Sherer Brothers except on one occasion, when, as I was leaving the laboratory of the Government about a year ago, Dr. Sherer asked me if I would take a note to his brother John, the damage sugar examiner, to No. 122 Front st., which I did, and left the note with the young man in attendance who had charge of the office.

In adjusting my polariscope I have used a quartz plate marked 96. I have seen another quartz plate marked 99.1, although I have never used it. This is the one generally used by Mr. Abbott. Dr. Sherer generally uses the one marked 96, although he uses the 99.1 sometimes. I have never seen any other quartz plates in use in the laboratory, other than those two mentioned, to the best of my recollection.

I have known Ernest J. Chapman to read the polariscope for sugar classifications. Capt. Flowers is a polariscopist, but is detailed as clerk. Mr. Crumbie occasionally makes classifications by polariscope. I consider him a first-class reader.

In reading sugar solutions by polariscope and where the difference of one-tenth would change the classification for duty in favor of the importer, we have been instructed by Dr. Sherer to give this benefit to the importer, and am under the impression that he stated that such action was by order of the Secretary. From my knowledge of matters in the laboratory, I believe this allowance to be the general rule.

I have expressed in the laboratory occasionally my dislike of Sugar Broker Burt. I believe that Mr. Jas. Burt and Dr. Sherer are friendly. A very common remark in the laboratory is, when we are worked after hours and tests and re-tests are asked for, that "I suppose these are some of Burt's sugars." A general impression prevails in the laboratory that Sugar Broker Burt receives more consideration in the laboratory than any other representative of sugar importers.

Sometimes serial numbers of sugar samples coming to the laboratory on the cans containing sugar samples do not run consecutively, thus the number will jump, for instance, in one day from 3554 to 3558, and the missing numbers will come to the laboratory from the sugar-room the next day or in the next lot arriving. It is the custom in the laboratory for Examiners Abbott and Landsmann, Ball, Rigney, and myself, to take the sugars out of the sample boxes, weigh and prepare them for the polariscope, the serial number on the sample box being copied on slips prepared for the purpose, so that each operator sees the sugar before it enters into solution, and their familiarity of the quality of the sugar is in their minds when they test it in the polariscope.

From conversation overheard by me at times in the laboratory, I am of the opinion that a great deal of opposition exists towards this investigation.

Dr. Sherer often visits the sugar-room, and explains certain sugar matters to Mr. Ram- sen, the examiner.

Dr. Sherer is the Turkish consul. Turks have sometimes visited Dr. Sherer in the laboratory and transacted business with him.

THEODORE G. MORSE.

Sworn to subscribed before me this 15th day of July, A. D. 1887.

T. AUBREY BYRNE,
Special Treasury Officer.

NEW YORK, *July 20, 1887.*

THEODORE G. MORSE, sugar examiner, U. S. laboratory, states as follows:

Yesterday while on duty in the laboratory, and when Mr. Byrne's request for a quartz-plate was made known by the messenger, Patrick Doonan, Dr. Sherer not being pres-

ent at the time, Examiner Abbott being in charge, inquiry was made as to where said quartz-plate was, and one examiner said, "Smiley, why don't you get it?" Smiley said I haven't got it, and the other examiners came over where Mr. Smiley was at work. After a lapse of some few minutes the messenger said, "Well, shall I go down and report that they can't have it?" when some one spoke up and said, "Well, hold on; we'll get it," and it was produced and handed to the messenger.

I have particularly noticed Examiner Landsmann taking some part of his polariscope out at the close of the day's business—which is not only unusual, but has never happened before to my knowledge, the presumption being that in case the laboratory might be visited by yourselves, that you would be powerless to use or read his polariscope. Further than this, the quartz-plates have always heretofore remained on the polariscope's stands, but last night the quartz-plates were removed from their usual place, and, to the best of my knowledge, were deposited with the appraiser.

From my observation in the laboratory, pending this investigation, I am convinced that every possible obstacle is being thrown in your way by the employes in the laboratory, with a view to hinder and obstruct and possibly defeat the object of the investigation. I state further in this connection, that certain conversations which I have overheard making light of the investigation, and their continued confidential talks as soon as any one of them returned from your examination room, simply confirms me in the belief that you are not being fairly dealt with as investigating officers. The sugar examiners in the laboratory above referred to are Abbott, Landsmann, Ball, and Rigney.

THEO. G. MORSE.

Sworn to and subscribed before me this 20th day of July, A. D. 1887.

T. AUBREY BYRNE,
Special Treasury Officer.

EXHIBIT 109.

NEW YORK, July 11, 1887.

ALARIC C. MORGAN, acting messenger 8th division, states as follows:

My duties are those of a messenger, but as a matter of fact I am performing clerical work. Mr. Dale seems to be, and I have understood is, sup't of openers and packers under Mr. Ramsen, in the sugar-room.

I assist Mr. Trainer in making out the daily classification sheets, or rather, the copy that goes to Philadelphia. I do not see the invoices. He never allowed me to make out those that went to Boston. I use great care in making these copies from Mr. Trainer's sheet. The unoccupied desk in the clerk's room of the ass't appraiser of the 8th division is principally used by Sugar Broker Burt when he visits the office, and he comes there daily. When he arrives he requests some one of us to go to the sugar-room adjoining and see if his notifications of tests are ready for him. If they are they are brought out to him. He then examines them, makes his notes, compares them with his own tests, and then makes his requests for re-tests and re-samples. He also looks at the invoice blotter, which I suppose contains the sugar invoices. I never saw any other importer look at this book. I never saw any one enjoy the same facilities in the division that is accorded Mr. Burt. It is tacitly understood among the employes of the 8th division that Sugar Broker Burt has powerful influence, which he can exert through his brother, the naval officer.

Mr. Dreyfoos makes requests for re-tests daily. I heard Mr. Burt, in talking with Asst. Appraiser Tice, say that the tests hung up there exposed to view, and every one would show that those of Havemeyer & Elder were higher than any one else's, and that no favoritism had been shown him, and that any one that said so said what was false. This was about the time you were expected here to make this investigation.

I have seen Mr. Burt and Mr. Trainer in conversation occasionally, and I should judge that it was private. Mr. Trainer used to always go in the sugar-room and get Mr. Burt's tests as soon as he arrived, and was attentive to him; sometimes I have gone. For the past month Mr. Trainer has not been so attentive to Mr. Burt, and I said to him: "Oh! you are not quite as polite to Mr. Burt as you were, and are shoving him off on to me, are you?" but he made no reply. And I have noticed that since this investigation commenced, Mr. Trainer has not been so attentive to Mr. Burt as he has been heretofore, while I have been more attentive to him, from the fact that when I would see that Mr. Trainer would not go into the sugar-room after his tests I would do so.

The impression forced upon my mind from surrounding circumstances is that Sugar Broker Burt could generally have his requests granted. I have heard Mr. Burt say

sometimes that he was in no hurry for an invoice to be written up, but I did not know what particular invoices he referred to.

ALARIC CECIL MORGAN.

Sworn to and subscribed to before me this 11 day of July, A. D. 1887.

T. AUBREY BYRNE,
Special Treasury Officer.

N. Y., July 12, 1887.

I have heard Examiner Bowne and Sugar Broker Burt in loud controversy occasionally in regard to disagreements of tests, and have seen them almost directly afterwards in apparently close conversation together in the hall-way. The impression might naturally be left on the occupants of the ass't appraiser's office that the loud tone used by them was for effect and unnecessary.

ALARIC CECIL MORGAN.

Sworn and subscribed to before me this 12 day of July, A. D. 1887.

T. AUBREY BYRNE,
Special Treasury Officer.

EXHIBIT 110.

NEW YORK, July 15, 1887.

GOTTFIELD LANDSMANN, examiner and polariscopist in laboratory, stated as follows:

I am 30 years of age; arrived in this country 5 years ago, in 1882. I am naturalized as a citizen of the United States. Entered the laboratory in 1883, through the interposition of Sp'l Ag't Ayer and Dr. Sherer. I obtained my knowledge in testing sugars in Austria. I tested 4 years by polariscope there, using Scheibler's polariscope.

Mr. Abbott is in charge of the laboratory in absence of Dr. Sherer. My original salary was \$1,200 per annum, and was advanced to \$1,800 about 8 mos. ago, as was also Mr. Rigney. I occasionally test my polariscope by the quartz plate. As a rule it does not vary. I generally use the quartz plate mounted and marked 96°. There is another quartz plate in the laboratory marked 99°.1. That is all the quartz plates we have in the laboratory. I have heard that the 99°.1 quartz plate is not in the laboratory now.

I have heard that Mr. Dale, a messenger, loans money to the employés. I heard Mr. Morse once remark that Dale had got much interest out of him.

About two or three years ago I went to Dr. Sherer's down-town laboratory, in Front st., to try and get a friend of mine a position in Dr. Sherer's laboratory, as I heard he wanted a man. I took my friend down to their office and found Mr. John Sherer there. I introduced him to Dr. Sherer at the U. S. laboratory, and he told me to take him down town to his office there. The young man did not get the position, as Dr. Sherer told me he had engaged Dr. Shreiber. I knew Dr. Shreiber, and he remained in Dr. Sherer's employ about half a year. I do not know that Robt. Rigney kept his position in Dr. Sherer's laboratory a very long time. I know that Rob't Rigney's brother, who is a chemist on Wall st. to-day, was employed in the laboratory of Dr. Sherer, Front st.

G. LANDSMANN.

Sworn to and subscribed before me this 15th day of July, A. D. 1887.

T. AUBREY BYRNE,
Special Treasury Officer.

JULY 18, 1887.

Messengers Smiley and Cole mix the sample sugars, breaking up lumps, &c., in a mortar, under my supervision; then I weigh out the proper quantities (13,024 gr.). I make this into a solution, pour it into a tube, and place the tube in my polariscope.

Examiner Abbott and myself usually work together, and as we always fill a duplicate tube, he reads one and I the other.

If, for instance, I read my solution 95°.1 and he reads his 95°.3, then 95°.1 is the proper test for classification, because it is the lower of the two tests, and because the two tests do not disagree more than 3-10 (three-tenths) of one per cent.

If I am perfectly satisfied that the sugar tests 95°.1, then I report it 95°.1.

As two polariscopists always read together on the same sample, if one of us reads lower than the other, then according to the regulation the lower of the tests is accepted as "the test for classification," providing that the variance between the two (2) tests does not exceed 3-10th of one per cent.

When I am testing sugar one-tenth (1-10) of a degree is of just as much importance to

me as nine-tenths (9-10ths) would be. In other words, according to the indications on the scale of my polariscope, so I report the test. I know of no such thing in my work as favoring the importer; I never allow a doubt in my mind to exist as to whether 1-10th of a degree should go on or off.

If my partner (polariscopist) should persist in reading 3-10ths low, then the test for classification would be lowered, but, if such should be the case, I would take pains to ascertain the cause of his low reading or my high reading.

In clarifying sugar solutions with bone-black, high centrifugal sugars would be more affected than low-grade sugars, but it is only used for low-grade sugars.

If the color of the solution with some sugars is too dark, I could not obtain a proper test without bone-black.

It is necessary to use subacetate of lead with great care when clarifying sugar solutions, for according to the kind of sugar being tested, the lead would influence the test either up or down.

I know I have never seen a sugar broker or importer in the sugar laboratory. I never saw Brokers Burt or Dreyfous in the laboratory. I have no speaking acquaintance with Broker Burt.

One day I saw Mr. Burt in the hallway; I asked who he was, and was informed. I know that Mr. Burt is Havemeyer's broker.

I was told that Dr. Sherer is the Turkish consul. I have seen Dr. Sherer in conversation with different persons, foreigners, in the office of the laboratory.

Since last October (1886) Mr. Ball, sampler, has been making the comparative tests of sugar in the "dry substance" exchanged between New York, Phila., San Francisco, Portland, and Boston; prior to that time, all of us in the laboratory assisted in making these tests.

As a rule, the tests of sugar made at New York and Philadelphia most nearly agree.

Requests for "verifications" and "re-tests" from the sugar-room are sent to the laboratory; they are received by Dr. Sherer and Messrs. Abbott, Rigney, Ball, and myself and Morse also do the work.

Mr. Ball, sampler, but acting polariscopist, attends to the testing of damaged sugars. Alfred Flowers, an attaché of the laboratory, assists sometimes in preparing the sugar solutions for testing.

I consider the use of "C. P. (chemically pure) sugar" a correct one in ascertaining the true value of a quartz plate.

It is my custom every second or third day to use the 96° standard quartz plate, to see if my polariscope is in proper adjustment, and my instrument very rarely changes; but if I should find that it is too high, by two-tenths (2-10ths) for instance, I deduct 2-10ths from all my readings that day, and if too low, I add to my readings.

I have heard the employés in the laboratory say, when sugars came in to be tested just about 3.30 o'clock in the p. m. that "this must be some of Burt's sugars," but I am satisfied that the men make this remark in jest. In busy times we test about 100 samples per day.

G. LANDSMANN.

Sworn and subscribed to before me this 18th day July, 1887.

T. AUBREY BYRNE,
Spl. Treasury Officer.

NEW YORK, July 30, 1887.

G. LANDSMANN, examiner, further states as follows:

I was born in Prague, Austria, in 1857, came to the United States (declines to make any statement relative to the matter of his arrival in this country or as to his naturalization papers).

Q. Are you a naturalized citizen of the United States?—A. If you will prove to me that you are authorized to make this examination by order of the Secretary of the Treasury, I am ready to answer.

Q. Did you read the letter handed to you dated July 1st, addressed to the officers and employés, by the Secretary of the Treasury, and handed you now for identification?—A. Yes, sir.

I still decline to answer the question as to whether I am a naturalized citizen of the United States or not.

Q. Did you not promise to bring me your naturalization papers this morning?—A. Yes, sir.

Q. Why do you now refuse, and with whom did you consult in regard to it?—A. I reconsidered it. I asked this morning the advice of Dr. Sherer and of Appraiser McMullen, if in case you asked me for my naturalization papers, what I should do, and they told me to follow my own judgment.

Q. On what ground did you refuse to furnish your naturalization paper?—A. On the ground of the Secretary's letter referred to.

G. LANDSMANN.

Sworn and subscribed to before me this 30th day of July, A. D. 1887.

T. AUBREY BYRNE,
Special Treasury Officer.

EXHIBIT 111.

NEW YORK, July 22, 1887.

WILLIAM C. JACOBS, examiner 8th division, states as follows:

I was originally appointed as messenger in the sugar division about 11 years ago, and made examiner in July, 1885, previous to which time I had been acting as clerk in the sugar-room, having passed civil service and appointed to a \$1,200 clerkship. In my capacity as clerk I had charge of the test-book and invoice blotters. I received the invoices from Col. Osborne, late chief clerk of the 8th division. It often occurred that invoices were detained in the sugar-room when requests for re-tests and re-samples were made by sugar brokers; sometimes we detained them on our own responsibility when we thought the test was too low. I received oftentimes these requests from brokers for the re-tests of certain marks when they were dissatisfied with the classification. I can not find any authority in the Treasury sugar sampling regulations for granting re-tests of sugars on request of importers or their brokers. I never saw Sugar Broker Burt in the sugar-room but once.

I did convey notices and messages from the sugar-room to the asst. appraiser's room, and carried back requests for re-tests when handed to me by the asst. appraiser or his clerk. I have also carried such requests to the sugar-room when handed me by brokers. I have heard (when there was a telephone connection in the asst. appraiser's room with the central main office connection) telephone messages from sugar brokers asking for a re-test of a certain mark, stating at the same time that their request had been mailed for same. I then notified the asst. appraiser or examiner in charge of the message.

I think I have received certificates from the laboratory of "verifications," and I shall try and produce them. In noting "re-tests" on a certificate of verification is a clerical error. I think brokers have asked for verifications, and they have been granted no doubt, as I see no reason why they should not be. Sometimes, at the request of Examiner Remsen, and when I was clerk, I wrote in the test-book the classifications in red ink, and called them off to Examiner Remsen while he put them on the invoice.

I sometimes carried sugar samples to the sugar-room. I have carried test reports from the laboratory to the sugar-room. Sometimes, when I am at work in the sugar-room, I receive telephone messages from the examiners on their districts asking if certain cargoes on which re-samples had been called if we were through with them, as the houses, meaning the refineries, wished to melt the sugars, or the warehouses wished to store the goods. I then made inquiries of Mr. Remsen, and notified the inquirer that if the re-sample had been taken the sugars could be melted. The importers sometimes withdraw their requests for re-samples, and thereupon we have ordered the re-sample off, unless we feel the Government has not received its just dues. Written requests for re-tests were, when I was clerk, always filed away, and undoubtedly some of them were lost. I spoke to Mr. Hay about keeping these written requests, and he said to keep them, and thought this was a good idea.

Once, as well as I can remember, the fact was brought to my attention by Examiner Bowen that certain samplers used their sponge too wet, and that it must be stopped. Oftentimes hogsheds of sugar are sampled by merchants' samplers before U. S. samples are taken. Sometimes we used to put letters instead of serial numbers on sample cans sent to U. S. laboratory for test, the letters representing the general cargo of sugar while the serial numbers represented the sample packages. This was done for comparison. Sometimes when I have gone to draw samples from re-sample packages, such re-sample being ordered by the importer or broker, I have found them melted up.

WILLIAM C. JACOBS,
U. S. Examiner.

Sworn and subscribed before me this 22d day of July, 1887.

T. AUBREY BYRNE,
Special Treasury Officer.

EXHIBIT 112.

NEW YORK, *July 26, 1887.*

P. A. HEPBURN, examiner, states as follows:

I was appointed examiner in the 8th division, Aug. 1, 1885.

I have not found anything in my experience as an examiner that might be properly termed designedly irregular. I am particular to see that my samplers wring their sponges dry before using them on the trier, and I am constantly watching that thing. Examiner Bowne once called my attention to samples that had the appearance of having too much water used upon the samples.

I have never had my attention called to the finding of a fraudulent stencil-plate, although I understand there was one such found. I have repeatedly protested as to the manner in which sample packages were laid out preparatory to sampling, and have had the matter corrected. Sometimes I have instructed my samplers to break down the pile and take out certain sample packages and verify the mark. Sometimes I find that merchant or brokers' samplers have drawn samples from the same packages that U. S. samples are to be drawn from, but before they have been laid out by the weigher.

Sometimes I have insisted that the refinery people shall lay out Iloilo, Cebu, and Manila sugars, mark by mark, when found, although the collector's permit to land such sugars has indicated no mark. By insisting upon this, the Government receives its proper revenue. And in all such cases, when attention has been called to it, the remedy has willingly resulted.

Samplers carry keys to the sample-boxes as well as the examiners. The same keys open the district office doors; we have a different key entirely to open our closets in the district offices. In the morning I give the sampler the key to the closet door; which is always returned to me before night.

I never heard it proved as a fact that sample-closets had been tampered with, although I knew the closets were especially examined as to their security, and the locks changed, I think, three times within the last two years. I think the Government receives all the duties it is entitled to upon sugars.

PETER A. HEPBURN.

Sworn to and subscribed before me this 26 day of July, A. D. 1887.

T. AUBREY BYRNE,
Special Treasury Officer.

EXHIBIT 113.

NEW YORK, *21st July, 1887.*

BENJAMIN H. HINDS, special agent, examined under oath, said:

I was appointed by Secty. Manning, to the appraiser's store about Novr. 15, 1885. I act in a dual capacity, reporting at the same time to Appraiser McMullen, and making my reports to the Secty. of the Treasury through the div. of special agent. The bulk of my work is acting under orders of Appraiser McMullen. I have dictated letters for Mr. McMullen when he would tell me what he wanted to say, giving me the idea. I have not dictated or had anything to do with any answer that came to you in answer to letters addressed to Mr. McMullen. I may have seen them, but I know I have not dictated or written any answers that came to you from him. No irregularities in sugar at this port have ever been brought to my notice. Furthermore, I never had any reason to suspect that any existed; if they have, it is something that I have no knowledge or suspicion of.

I have seen two men around here that I was told were sugar brokers; one man I don't know and one I do know. I don't know as I ever saw Broker Dreyfoos in the office of the appraiser.

Since your performance here I asked who is this man Dreyfoos. I have seen Broker Burt two or three times a week around the building. I have seen him a good many times in the appraiser's office. It is not within my knowledge that he makes daily calls upon the appraiser. He comes in like anybody else. I never heard him talk about sugar. I presume he attends to that in the 8th division.

I never saw a letter in the appraiser's office signed by the collector of the port of Boston, endorsed by the collector in New York, in reference to the investigation in sugar.

I suppose I talked to the appraiser relative to this investigation a hundred times, but I never had a conference with him as to what would be advisable to say. I have not written a letter nor received one from Mr. Martin in six months. I address my official reports to the Sec'y of the Treasury.

I have never heard a word of what you have been doing through any departmental source.

I never saw Mr. Martin in Baltimore in my life. I was not there on the 2nd of July. I have not been in Baltimore, except to pass through it, in five years. On the 1st of July I was in Philadelphia; I went in the morning and came back in the evening.

I had no conference with Mr. Tingle about this investigation further than some remark about the investigation going on here; I don't remember what it was.

I don't think I talked sugar matters with Special Agt. Tingle in this world, for I don't know anything about them, and I don't believe he does.

Irregularities in sugar matters have been brought to my notice by the appraiser. I remember to have been twice, perhaps three times, at the customs house: The first time was when Examiner Bowne and Mr. Examiner McElwee had got into a snarl in Jersey City over the laying out of samples of bag sugar. I think about a lot of bag sugar they could not get the bags laid out in proper shape; at any rate, they were not satisfied in the manner in which the weigher had given them the samples.

They claimed that the weighers had given them the samples from one part of the cargo and did not heed the marks. For instance, if they required 120 bags, so many of one mark, so many of another, they were given 120 bags irrespective of any marks, and they were not satisfied to sample it in that way, and refused, and they came here and reported to Mr. McMullen, and he directed me to go down and see the authorities at the custom-house. I reported the matter first to Mr. Trelow, and went and saw Mr. Blatchford, and Mr. McElwee and Mr. Bowne was with me. The result of which was that Mr. Blatchford gave some orders; it is a year and a half ago. I did not consider the matter of sufficient importance to report to the Department, for it was a matter for the surveyor to attend to and not the Dept., and it was attended to, and the result was satisfactory to Mr. McElwee and Mr. Bowne. They told me so; I forget which one. Mr. Bowne told me in substance that it was satisfactory.

Q. (By Mr. BYRNE.) You consider, then, that your duties as special agent here connected with the appraiser's store is to take up a matter—[interrupted].—A. You are investigating sugar and I have been answering your questions and I don't care whether they satisfy you or not. If you have been sent here to investigate me show me your authority and I will answer you. I will answer your questions as to sugar, but whether I do this or don't, I don't think it is your business.

Q. I ask you whether in the discharge of your duty—[interrupted].—A. You must consider that a person who has been for 18 years in the customs is not going to take a rebuke from a man who is not an officer at all. I report to the appraiser the result of any investigation I make into sugar irregularities, but do not feel that I am bound to make a record of them to the Department unless they are of sufficient consequence to go to the Department; but if there were any gross abuses here I should feel it my duty to report them. I have never had any knowledge of fraudulent stencil-plates.

I do not feel that my duties are entirely subordinate to the appraiser. As I said, I am acting in a dual capacity. When the appraiser has work to do I do it; when the Department has work to do I do it.

If I knew that the regulations relating to sampling and appraising of sugars was being violated I would at once report it to the appraiser or to the Department. I should feel it my duty, in the first place, to endeavor to correct it. Failing in that, I should feel it my duty, in the first place, to endeavor to correct it. Failing in that, I should feel it my duty to report to the Secty. of the Treasury, provided that it was a violation that involved any principle or amounted to a violation of the regulations.

I can conceive things in the regulations that are non-essential, that were started on some misconception, that have been found to be utterly useless and worse than useless, and that perhaps had been dropped by common consent all round. I am speaking generally now. I say that the violation or neglect to enforce any regulation that had any meaning or value to it I should consider a subject to engage my attention at once, and would so notify the Department. On the subject of the sampling and testing of sugars I have perhaps less knowledge than I have about any other branch of the custom service, for the reason that it is in the hands of specialists, and they have a set of regulations to go by which are peculiarly marked out for that branch of the service, and applied to no other. I have no doubt but that Philadelphia and New York test by polariscope sugar lower than Boston. I suppose brokers come here to attend to their business.

The Secty of the Treasury ordered shortly after the promulgation of these regulations that the classification of sugar instead of being posted at the custom-house should be posted at the appraiser's store or office, which I consider a public place, as any man that has any legitimate business in any part of this building can have a pass to go there; and my opinion is that the regulation is carried out when the daily indication of the classification of sugar is made in the asst. appraiser's office.

I am aware that there is a regulation which requires that classifications of sugar shall

be exchanged between certain ports. It has never been brought to my notice that they were not.

The foregoing report of my testimony is substantially correct.

B. H. HINDS,
Spl. Agt.

I, Henry W. Kerr, being sworn, certify that this is a correct transcription of my stenographic notes of the conversation.

Dated at New York, 22d July, 1887.

HENRY W. KERR,
Stenographer.

Sworn and subscribed to before me this 22d day July, A. D. 1887.

T. AUBREY BYRNE,
Special Treasury Officer.

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., Oct. 30, 1885.

B. H. HINDS, Esq.,
Special Agent, appraiser's stores, New York, N. Y.:

SIR: From and after the 1st proximo your official station will be the appraiser's stores, New York City. Your reports will be made directly to the Department.

Very respectfully,

D. MANNING,
Secretary.

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., Decr. 9, 1885.

B. H. HINDS, esq.,
Special Agent, New York, N. Y.:

SIR: Referring to Department's letter to you of the 30th of October last, in which your official station at the appraiser's stores, New York City, was authorized, you are hereby directed to report for duty to Lewis McMullen, the appraiser.

Respectfully, yours,

D. MANNING,
Secretary.

EXHIBIT 114.

JULY 6, 1887.

F. W. HOWARD, under oath, states:

I have been connected with the appraiser's store since May, 1885, as private secretary to the appraiser. I decline to answer as to what influence was brought to bear to secure my appointment, other than that I was appointed to my position by Mr. McMullen. I am in a remote degree related to the wife of Mr. Jas. Burt by marriage. I do not know that Mr. Jas. Burt had anything to do with my appointment. Mr. Jas. Burt has not been in the private room adjoining that of the appraiser more than three times to my knowledge since I have been there. I have seen him in conversation with the appraiser. I have never seen a sugar invoice. I have never seen a laboratory certificate of polarization. Have not the slightest idea what business brings Mr. Jas. Burt to the appraiser's office. I have been in the laboratory on official business. I have had conversation with officials relative to the pending investigation in a casual way only. They were Stenographer Bassett, Chief Clerk Rose, the appraiser [2], and Special Agent Hinds. [3] I have upon one occasion written an official letter for the appraiser's signature, which was dictated by Special Agent Hinds, and have [4] also occasionally heard Special Agent Hinds dictate letters to Stenographer Bassett for the appraiser's signature.

I am a member of the board of civil-service examiners for this district—the customs district of New York—and my only knowledge of matters relating to sugars is that gained in the questions put to applicants for position in civil-service examinations. I do not know to what you refer when you speak of a serial number in connection with sugar. I do not know what sugar-importing firms Mr. Jas. Burt represents. I have known him to speak to for fifteen years. Mr. Burt's wife is a cousin of my wife. Mr. S. Seabury Guion, the examiner in the ninth division, is a brother-in-law of Mr. Jas. Burt. I consider myself an occasional visitor at Mr. Burt's house, although I call but very seldom,

and have never talked business with him there or elsewhere. It was in my room that the appraiser asked Mr. Moore to show him his authority for assisting Mr. Byrne in the sugar investigation. My opinion, as I had formed it prior to my examination, was that this investigation was being carried on in a high-handed manner, although I have had but little conversation with any one on the [5] subject.

The lines numbered 1, 2, 3, 4, and 5, in the margin were erased and interlined before I signed this statement.

Changes made as follows: In No. 1, one word erased; in No. 2, three words erased; in No. 3, one word erased in three words interlined; in No. 4, one word erased and one word interlined; in No. 5, five words erased.

F. W. HOWARD.

Sworn and subscribed to before me this 6th day of July, A. D. 1887.

T. AUBREY BYRNE,
Spl. Treasury Officer.

NEW YORK, July 6, 1887.

I, F. W. HOWARD, private secretary to the appraiser of the port of New York, upon being duly sworn by Special Officer Byrne, and having read the clause in the Secretary's letter of July 1st addressed to officers and employes of the appraiser's store, refuse to make any promises whatever, as I desire to retain my freedom of speech.

F. W. HOWARD.
H. A. MOORE,
Special Agent.

Witness:

T. AUBREY BYRNE,
Spec'l. Treas'y Officer.

NEW YORK, July 8, 1887.

Mr. Howard, upon being asked by Mr. Byrne whether or not any officer of customs or employé connected with the U. S. appraiser's store or custom-house in New York City has approached him or asked him any questions relative to his examination before him on the 6th instant relating to sugar matters, says he thinks it an improper question, and one that Mr. Byrne has no right to ask, and refuses to answer.

F. W. HOWARD.

Within five minutes of Mr. Howard leaving the examination room, Spl. Agt. Moore visited the appraiser's office to request the attendance of Mr. Tice. The appraiser was talking in a confidential manner with Mr. Howard in a corner of the room, Special Agents Tingle and Hines being seated in the same room.

H. A. MOORE.

JULY 6, 1887.

EXHIBIT 115.

NEW YORK, July 13, 1887.

ALFRED FLOWERS, sampler, detailed as clerk, and also engaged upon the polarization of sugars, states as follows:

I was appointed in 1879. I am employed in the laboratory, and visit the sugar-room almost daily. I transmit messages from the laboratory to the 8th division sometimes, and have returned at times with requests for re-tests and verifications of sugars already tested. I have seen Mr. Burt in the sugar-room of the 8th division many times, up to within a few months, when the newspapers had something to say about the Burt influence at the appraiser's store. I have not seen him there since. I have seen him in the laboratory a few times in conversation with Mr. Sherer. I know that Dr. Sherer, Special Agent Ayer, and Mr. James Burt are quite intimate. Dr. Sherer has remarked to me quite often that he had just seen Burt, who said we were reading sugars too high. I told him, Sherer, that I guessed he would have to stand it. The effect of Mr. Burt's remark upon Dr. Sherer, as evidenced by observation, was that Dr. Sherer was afraid of Mr. Burt, either through his influence or that he might lose his patronage at his, Dr. Sherer's, place down town at No. 122 Front st., where he runs a sugar laboratory for testing sugar for the trade. This laboratory is run, as I have been told, by a relative of his, but I believe that the profits of the business are shared by Dr. Sherer, the chemist, and his brother, John A., who is damage examiner of sugar at the appraiser's store.

I am led to the opinion from the fact that under Secretary's Folger's administration of the Treasury Department, the man who managed their business, Mr. Wm. Rigney, demanded to be taken into partnership with them, which they refused. Rigney then left them and started a laboratory of his own at 109 Wall st., thus compelling John A. Sherer to resign his position at the appraiser's store as damage examiner in order to look after their private business at their laboratory, No. 122 Front st. After about two months he managed to get the firm's business in hand, and placed an employé there to represent them, after which he was again appointed damage examiner at the appraiser's store at an increase of salary by Appraiser Ketchum, which position he now occupies. I have deposited with the People's Bank, corner Canal and Thompson streets, this city, at various times other than the last or first of the month, sums of money to the credit of Dr. Edward Sherer as high as five hundred dollars at a time, amounting to within the past year and a half to about seven thousand dollars. As his salary is about \$2,500 per year it would only amount in a year and a half to about \$3,700. Aside from this account he and his brother John had an account in the Marine National Bank, which failed a couple of years ago, wherein they lost close to five or six thousand dollars, as he told me.

From these facts I am led to believe that his down-town laboratory renders him a handsome income, and the natural presumption being that on account of his position as chief chemist at the appraiser's store they, the importers, would, for obvious reasons, patronize the firm of Sherer Brothers.

Damaged sugars have been tested by Examiner Sherer at their down-town place of business. Chemists Gottfried, Lausmann, and Robt. Rigney, employed in the U. S. laboratory, have informed me that after office hours they have, at the request of Dr. Sherer himself, gone to the laboratory of Sherer Bros., at No. 122 Front st., and assisted in testing merchants' sugars for the firm. I told them they had better be careful or they might be discharged, which, I think, caused them to stop it, or at least I was never informed by them of their continuance of the practice.

Dr. Sherer once told me that Sugar Broker Burt requested him not to allow Chemist Abbott to test his sugars. This request was complied with for about ten days, and we were consequently overworked, while Abbott had nothing to do.

I have often seen Mr. Burt and Dr. Sherer in close conversation in the hallways of the appraiser's store.

Dr. Sherer is the Turkish consul, and Turks come to the laboratory to attend to business with him, and it has been one of my duties to make pen-and-ink copies of letters for Dr. Sherer relating to the business of his consulate.

Recently Dr. Sherer was sued in the city court of New York for rent of a building which he had hired in Brooklyn for the manufacture of "bronze powder," and for defense took advantage of the fact of his being Turkish consul to prevent collection of the debt. Dr. Sherer informed me of this himself, and also informed me that his brother, John Sherer, and another man was interested with him in the manufacture of this "bronze powder." I have seen and examined some of this powder in the office of the laboratory, as shown to me by Dr. Sherer, who told me he made it and sold it. Mr. Pratt, I think, of Roslyn, L. I., was the partner in the concern.

Mr. Morse, a polariscopist in the laboratory, is not allowed at the present time to read polariscope by order of Dr. Sherer. I know that Mr. Morris's eye-sight is as good as that of any employé in the laboratory, and as fully capable to read the polariscope as any one there.

As the clerk of the laboratory, and being in a position to observe closely, I am fully convinced that every effort has been and will be made to obstruct the course of the pending investigation and the intimidation of the employés of the laboratory.

ALFRED FLOWERS.

Sworn and subscribed to before me this 13th day of July, A. D. 1887.

T. AUBREY BYRNE,
Special Treasury Officer.

NEW YORK, July 15, 1887.

ALFRED FLOWERS, further examined:

Yesterday I returned to the laboratory after leaving the investigation-room, and as I was passing in I saw Dr. Baker and Dr. Sherer in conversation, and heard Dr. Sherer say as I passed that I would not last longer than this investigation, as I should then be discharged. I said nothing and passed on.

To-day I saw Sugar Broker Burt with his head out of the window in the passage way adjoining your investigation-room, trying to look into your room, and it seemed to me

he was trying either to overhear anything that might be said in your room or trying to see who was there. His action was noticeable.

ALFRED FLOWERS.

Sworn to and subscribed to before me this 15th day of July, A.D. 1887.

T. AUBREY BYRNE,
Spl. Treasury Officer.

PORT OF NEW YORK, APPRAISER'S OFFICE,
402 Washington st., July 18, 1887.

ALFRED FLOWERS, continued:

About the time Dr. Moore tested the 99.4 quartz plate I saw it in its mounting in the laboratory. Since then I have not seen it till the 16th instant. I have examined the edges of the tube (its mounting) and find that it shows signs of having been in daily use for two or three years. This use has not been at this United States laboratory.

ALFRED FLOWERS.

Sworn and subscribed before me this 18th day of July.

T. AUBREY BYRNE,
Spl. Treasury Officer.

EXHIBIT 116.

NEW YORK, July 25, 1887.

JOHN HOWARD WAINWRIGHT, examined.

In U. S. laboratory, Dr. Battershall's division.

On Saturday I was in Dr. Sherer's office, when he requested me, in case I was called before you, to repeat a conversation previously held between us relative to this investigation, but I can not now remember its particulars. I have seen Turks, or persons whom I took to be Turks, in the laboratory, and upon one occasion I was called upon by some one from the laboratory to act as interpreter and to inform Dr. Sherer of his desires, and which did not relate in any way to U. S. Government business.

On Saturday last, while in conversation with Dr. Sherer upon the subject of this investigation, he made the remark that you (Mr. Byrne) and Special Agent Moore were a couple of damn scoundrels or words to that effect. This remark was made so that Acting Clerk Flowers could hear it, and so that others might have heard it.

J. H. WAINWRIGHT.

Sworn to and subscribed before me this 25th day of July, A. D. 1887.

T. AUBREY BYRNE,
Special Treasury Officer.

NEW YORK, July 25, 1887.

ALFRED FLOWERS, clerk in U. S. laboratory, states as follows:

On Saturday last Dr. Sherer had a conversation with Examiner Wainwright in Dr. Sherer's office, and where my desk is located. In the course of their conversation I heard Dr. Sherer say to Mr. Wainwright that you (Mr. Byrne) and Special Agent Moore were a couple of damn scoundrels.

ALFRED FLOWERS.

Sworn to and subscribed before me this 25th day of July, A. D. 1887.

T. AUBREY BYRNE,
Special Treasury Officer.

NEW YORK, July 28, 1887.

BYRON D. C. FOSKETT, examined, 8th division, states as follows:

I was appointed examiner of sugars in July, 1885.

As to Par. 3, I sometimes find that the sample packages are not properly laid out, the cause of which is attributed to the operations of merchant samplers and others. Under these circumstances the U. S. samplers can not draw their samples properly.

As to Par. 7, I have never seen Sugar Damage Examiner Sherer making examination of sugar or cargo, but have seen him in warehouses and refineries making inquiries in regard to same. I never detailed a sampler to draw samples for examiner of damaged sugar, Mr. John Sherer.

As to Par. 9, the trier has to be inserted in the package several times as a rule before sufficient sugar is drawn to fill the sample box.

As to Par. 10, samplers and examiner carry keys to the sample chests; sometimes I send a memorandum instead of a letter of transmittal when I have not Department form at hand.

As to Par. 11, in reference to red plugs, it is not enforced at this port.

As to Art. 13, I do not find that sugars in bags, hogsheds, and other packages are always properly laid out mark by mark, necessitating the breaking down of piles of samples in order that the samples may be properly drawn and entailing an unnecessary amount of labor and delay in the sampling.

Oftentimes Iloils, Cebus, and Manila sugars are permitted, on collector's order, to be weighed as without mark, although marks are in the cargo, necessitating the obtaining on the part of the appraiser's department in formation from the importers relative thereto, in order that classification can be properly made. I oftentimes find damaged sugars in the piles of samples.

As to Par. 15, it is not complied with. Sometimes samples are placed in such dark places that a lantern is necessary to marks and stencilling. Sometimes we find samples in sample piles that are not stencilled "U. S. sample." Sometimes I found low grade and high grade sugars mixed in the sample piles as of the same mark.

As to Par. 17, sometimes we have sent into the appraiser's store samples in paper, large tin boxes being not available.

As to Par. 19, this paragraph is not complied with.

As to Par. 24, I permit the use of a damp sponge, out of which no water can be squeezed. I do not remember the day that you accompanied me to the Havemeyer & Elder refinery, and that Sampler Flocken was using a sopping wet sponge on his trier while engaged in sampling. I did not know that you were a Government officer at that time.

As to Par. 26, this paragraph is not altogether complied with.

As to paragraph 27, I never heard or knew of this paragraph and section of the Revised Statutes being enforced.

As to paragraph 28, I have sometimes found on directing my samplers to draw samples from sample and re-sample packages, that they have been melted up. This has happened where re-sampling has been ordered by the 8th division.

I have sometimes, when on duty at the refineries been asked by the refinery people to telephone to the 8th division and inquire whether it was necessary to hold certain samples and re-samples any longer in order that they might be melted up, and permission has been telephoned to me from the 8th division that they could be melted up.

I succeeded Examiner Davis in charge of district No. 5 some months ago, and upon inquiring for the key of the sample-closet, I was informed that Sampler Twamley had lost said key by accident overboard. I made no further inquiry in the matter, and do not know that any other official inquiry was made relative thereto.

My attention was brought to the fact that certain samples of sugar were too wet, and was cautioned by Examiner Bowne in relation thereto, although the occasion of the wet samples was not on my district.

I consider Examiner McElwee as an able and competent examiner, and a man of unimpeachable character.

When I was on duty in the 8th division, I have frequently seen Broker Burt in the office of said division, and on one occasion saw him in the sugar-room talking with Examiner Remsen. There was no sugar-crushing machine on exhibition that day in the sugar-room.

I am familiar with the sugar-sampling regulations, and in them I have never seen any authority for granting re-tests on the request of importers or sugar brokers. When sugars that Broker Dreyfoos is interested in are being sampled, he or his sampler, John Hetherington, are generally around. Dreyfoos is quite prone to make suggestions in regard to the sampling of his sugar. He often has conversations with the samplers, the nature of which I don't know. Sometimes he talks with them in my presence.

I would not call the place in the assistant appraiser's division, where the classification sheets of sugar are posted, a public place. I never saw a public statement of damage allowance since I have been examined.

BYRON D. C. FOSKETT.

The sugar-room of the 8th division was my headquarters from June 15 to July 15th, instant; during that time I have frequently seen Clerk Trainer copying from the invoices, after classification had been noted on the invoices by the examiner, the said classifications on the daily tabulated statement of classifications.

Previous to the time above mentioned, as I was informed by Examiner Bowne, it was the custom to copy such classification and laboratory tests from other records than the invoices themselves.

BYRON D. C. FOSKETT.

Sworn and subscribed to before me this 28th day of July, A. D. 1887.

T. AUBREY BYRNE,
Special Treasury Officer.

NEW YORK, July 29, 1887.

BYRON D. C. FOSKETT examined, further states in reference to his testimony of yesterday, July 28, wherein he stated that he saw Sugar Broker Burt in the sugar-room, as follows:

I remember the occasion of his presence there distinctly, as he was having an argument with Examiner Remsen in regard to certain clayed sugars, he, Burt, contending that the lumps in said sugar should be taken out before the sample was sent to the laboratory, and that only free sugar should be sent, while Examiner Remsen held that the sugar should all be mixed up together.

B. D. C. FOSKETT.

Sworn and subscribed to before me this 29th day of July, A. D. 1887.

T. AUBREY BYRNE,
Special Treasury Officer.

EXHIBIT 117.

NEW YORK, July 26, 1887.

W. D. DAVIS, examined, sugar division, states as follows:

I was originally appointed in the sugar division as sampler in 1878, promoted to examiner in 1880 at \$1,800, promoted in 1885 to \$2,000, and promoted to \$2,200 in 1886. The only irregularities that I know of in connection with the importation of sugars at this port, is in relation to stenciling.

I have directed samplers to draw samples from re-sample packages, and we found that the re-sample packages had been melted up or delivered. This applies to hogsheads. Sometimes at refineries when samplers have gone to draw samples from re-sample bags, and mats that have found that the said re-sample packages have been melted up. I can't explain why this was done.

I have sometimes found that low grade sample packages were mixed with high grade sample packages in the same mark, and *vice versa*. I have also sometimes found that the merchant samplers had sometimes drawn their samples before the U. S. samplers had reached them. I believe there is an order issued by Secretary Folger, which modified Art. 19 of the sugar sampling regulations of 1883, under which merchant samplers were permitted to sample, sample, and re-sample packages before the Government samplers had drawn their samples. I can not produce such an order.

I know of no violation of art. 17 of the regulations for sugar sampling, which require that samples in the case of mats shall be made upon the wharves, each mark being kept separate and the samples labelled in large sample boxes "provided for the purpose."

I do not know of any mat samples being sent to the appraiser's store in paper, sample tins being always used. I have found sample bags where the stencil mark could not be seen by the sampler, but were found by tearing the piles down. There have been instances where sample packages were not placed "easily accessible for sampling," as called for in article 15 of said regulations. I have often sent my samplers to take samples in places where the light of a lantern was necessary to distinguish the marks. So far as I am aware the sugar examiners and samplers of the 8th (sugar) division do not draw samples from damaged packages for the damage examiner of sugars to pass upon. I have seen the damage examiner of sugars draw his own samples. I can not say that I ever saw the damage examiner draw sound samples from a cargo, neither have I ever seen men under his direction draw such samples. I do not know what is meant by commercial damage. I have sometimes found sample packages (hogsheads) which gave evidence that they were not in sampling order, but who disturbed them I do not know. I have also sometimes found the scoring of the hogsheads improperly done. Paragraph 3 of the sugar-sampling regulations is not always complied with.

I have reported to my superior officer that paragraph 4 had not been complied with. Relating to paragraph 9 it requires more than one trier full to fill a box. In some instances paragraph 10 is not complied with; as for instance, in the absence of the printed form, viz, letter of transmittal, a memorandum being made to serve the purpose. Paragraph 11, requiring use of red plugs, is not complied with, and has not been for over a year. As to paragraph 14 I do not know that its requirements are being complied with. As to paragraph 15 I do not know that its requirements are being carried out, but to the best of my knowledge and belief they are.

Sometimes samplers have to carry lanterns to distinguish marks and whether the stencil "U. S. sample" has been put upon the packages. Sometimes I have had to order the sample packages broken down in order that the sampler could see that the packages were stencilled sample packages. Sample packages generally are placed accessible for sampling. I would not consider it detrimental to the interests of the Government to

have sample packages placed in close proximity to steam pipes. I do not consider it would take any more time, care, or labor to get the samples from packages so placed if they did not lay there long. Sometimes we have found sample packages removed from where they were originally placed, and then found them in some other place in the refinery.

In relation to article 16 I have had the sample packages relaid out so that the samples could be taken from the middle of the packages.

I have never known of general samples from mats being made upon the wharves in other than sample-boxes, paper never being used to send samples to the appraiser's store.

In reference to paragraph 19, see bottom of first page in my testimony.

I know of no paragraph authorizing the use of sponges other than paragraph No. 24.

I do not permit my samplers to use a sponge so wet that the water can be wrung from it, but we are permitted to use a damp sponge, as per construction of paragraph 24. I have seen certain instances where samplers have used too much water in their sponges to clean their triers, and have ordered them not to do so, and informed them at the same time that it would not show a normal sample and would be detrimental to the interests of the Government. This applies in a general sense to new samplers. I have advised Isaac W. Cole and Charles A. Fox, who are a couple of new samplers.

Relative to art. 26, I have found that cargoes of Iloilo, Ceban, and Manila sugars have sometimes not been laid out mark by mark, requiring the general sampling of each individual mark.

Relative to paragraph 27 and section 2882 of the Revised Statutes, I have never known or heard of any attempt on the part of a customs or inspection officer to seize a cargo of sugar for violation of such paragraph and section.

Relative to paragraph 28 I know of no violation.

In cases of re-test, pending re-sample, I have heard at the refineries telephonic requests to the sugar-room of the 8th division asking permission for refiners to melt up sample packages in cases where they had withdrawn their requests for re-sample. Permission was given from the sugar-room to melt up the samples when they had withdrawn their requests for re-sample. I have received such telephonic messages from Examiner Remsen.

As to whether or not, in my opinion, Asst. Appraiser Tice is competent to make a proper detail of samplers for duty on the different districts is not for me to decide. I do not consider that there are any samplers at present employed who are unfit for their business and can not be trusted.

I have seen Examiner of Sugars John Sherer, the damage examiner, drawing samples and otherwise examining a cargo of sugar after it had been discharged. I have never seen him make "an examination of the vessel and of the sugar during its discharge," as called for in paragraph 43 of the sampling regulations. I could not tell, without examination, whether the cargo was damaged or sound.

W. D. DAVIS.

Sworn to and subscribed before me this 27th day of July, A. D. 1887.

T. AUBREY BYRNE,
Special Treasury Officer.

EXHIBIT 118.

Dr. JESSE BATTERSHAW, chemist, U. S. laboratory, states as follows:

I know quite a number of leading chemists in the sugar trade.

I know the firm of Sherer Brothers, and I think it is composed of Dr. Sherer and his brother and a Mr. Kingney, who was associated with them.

I have not visited their laboratory since I became connected with the Government. I have been at 122 Front st. I have seen men that I supposed were Turks come to the laboratory.

I think that in testing sugar, a commodity which pays the largest amount of duty, the operators on the polariscope should be trained and practical chemists in order that the interests of the Government be protected. I believe that first-class chemists should be employed to determine the value of sugar.

I believe the Government entitled to the best ability that can be had, and in that way the interests of the Government and revenue are protected.

I have heard that Messenger Dale did loan money.

[NOTE.—Dr. Battershaw made this statement under oath; but, immediately leaving on his vacation, was not here to sign after transcription was made by stenographer.]

T. AUBREY BYRNE,
Special Treasury Officer.

July 23, 1887.

S. Ex. 3—62

EXHIBIT 119.

JOHN F. DAVIS, examined, connected with the laboratory at the U. S. appraiser's stores, states as follows:

Within the last three years I have not tested any sugars by polariscope. I am called upon sometimes to prepare the tubes for testing in cases of drawback, and never otherwise.

I have heard that Dr. Sherer was interested in the manufacture of bronze powder. I saw in a newspaper over a year ago a statement that Dr. Edward Sherer was sued in a court, and that the suit was thrown out, as the judge claimed no jurisdiction on account of Dr. Sherer being nominally a Turkish subject. I have seen men who were said to be Turks visit the laboratory, and suppose they came to see Dr. Sherer as Turkish consul. I have heard that there is a firm of chemists down town known as Sherer Bros. I know Mr. Jas. Dale, of the sugar division, and have borrowed money of him, but never paid him any bonus. I have heard that he does loan money to employes, but not within a year. I have also heard that he charged a bonus.

As a chemist, I state that in order to thoroughly and properly mix sugars some other means in addition to the mortar and pestle should be used; and this is particularly so when so little time is used in the mixing of sugar samples for test.

JOHN F. DAVIS.

Sworn to and subscribed before me this 19th day of July, A. D. 1887.

T. AUBREY BYRNE,
Special Treasury Officer.

EXHIBIT 120.

WILLIAM D. CRUMBIE, employé in laboratory, addressing Mr. Byrne, who was about to administer an oath, said:

Unless you are a notary public I object, and unless the questions and answers are to be taken down by a stenographer. I think it is only proper they should be so.

After being satisfied on these points, and the oath administered to him, said:

If asked the question I would very naturally say I belonged to the laboratory division.

I have tested sugars at the port of New Haven, and still continue to do so. I made my last test there on the 16th day of June, I think.

I go up there by request of the collector at New Haven to the appraiser, which is transmitted to me. The collector at that port telegraphs for an examiner of sugar; that telegram is approved and sent to me by the appraiser as my warrant. So far as I know the methods adopted in the sampling and testing of sugars at other ports is the same as at this port.

I know of no difference in the use of the polariscope at the port of Philadelphia and this port. When I put my tube containing the liquified sugar into the polariscope I read on the scale a certain determination, and note that determination as the correct reading or correct value of that sugar if the polariscope is adjusted properly.

I always test my polariscope with the quartz plate. I have used refined sugar. I have a quartz plate down there now. It was there when I went. I know it is correct, as I tested it with refined sugar. I am certain that my polariscope is properly adjusted after I receive the quartz plate. I think I have received a quartz plate from the chemist in charge here to test my polariscope. I am not certain, but I think I took one down there with me. The laboratory furnished me with that plate. I think I told you I took it. I am not positive whether I took it out there or not. I tested my polariscope a few weeks ago. I used the high plate. I think it is 81. I leave that plate there. I think there is a quartz plate in this laboratory now that is valued at 99.1. It is not actually mounted—in a short tube, I think—only a temporary mounting. I don't recollect ever having used it out of its mounting. It is a fact that the quartz plate is not permanently mounted. I could not testify to seeing it out of its mounting. Of course, never having seen it out of its mounting, I don't know whether it is marked or not.

The mark which indicates its value is, I think, on the tube on a piece of paper pasted around the tube. I will swear that I don't think I have ever seen the quartz plate with a mark of its value scratched on its edge, or ever heard any conversation in regard to it.

No one has access to the laboratory who is not connected with the appraiser's store in the general meaning of the term, but there are people who come in there through passes. It is a presumption on my part. I presume the watchman takes up the passes. It is the custom to ask any one coming up the stairs their business,

and they have to state it to Captain Flowers. He is the clerk in the laboratory office. Dr. Sherer is regarded as the chief of the laboratory, so far as our position is concerned and attendance and disposition of the men.

Captain Flowers in a sense might be called the watchman.

I don't think that I ever saw representatives of any importing firm in the laboratory when sugars were being tested. I am not acquainted with a single one of them. If I do know them I don't know their names.

I do not know a Mr. H—, Mr. Jones, or Mr. Drayfoos by name. I may know them by sight. I can't say positively that I know a Mr. Burt. I know a man that I think is Mr. Burt. I saw him walking on this floor; I saw him once going out of the building and once coming in; I passed him.

I never saw him in the laboratory nor in any passage way leading to the laboratory; and I think I can say positively I don't think that I ever saw him with Dr. Shearer. I don't think I have ever seen Mr. Burt except these two times. I may have seen him before; but, not knowing who he was, it would have no effect upon me. He is rather a large man, and I think has a grey moustache, dresses plainly, and rather plain-going in appearance.

I have heard that Mr. Burt has pretty good influence in the building and is well surrounded with friends; I have heard nothing more than rumor in that connection; I have heard nothing positively. I presume that the rumors came from the fact that he is a relative of the naval officers, and perhaps what influence he has would come through his brother.

A man might naturally feel that Mr. Burt could help him through his brother's influence; the average man would feel better to have Mr. Burt's friendship than otherwise.

I don't know that his presence here is of daily occurrence; I have heard that he has been here; I have seen it in the newspapers that he has been here. I have seen this man twice; I have no doubt on my mind but the man I saw is Mr. Burt.

I don't know that it has been brought directly to my notice that Mr. Burt has very strong influence at the appraiser's store—more than I have stated—that his brother is quite a prominent official, and would naturally have more or less influence.

I could not say what the result would be if a man secured the enmity of Mr. Burt; I merely say, as regards myself, I would rather feel friendly towards people who are well connected politically than I would with enmity, because everything has got to move smoothly, and it is satisfactory to a man to have friends.

I have never heard any conversation to the effect that to be the friend of Mr. Burt is to be secure in your place. I have never heard of any one being removed because he was not his friend. I have never heard that Mr. Burt had access to all of the rooms where sugar is treated. I recollect that you (Mr. Byrne) once said so when we talked together.

Mr. Byrne reads his notes re. 23rd December, '86. "A man might have it in his power to tamper with sugar on the docks, more especially where the samples are drawn. If a sample has been tampered with before I get it, I can't tell. If a wet trier were used I would not be anything the wiser.

So as to obtain a low classification it might be possible to select samples from hog-heads, so that it might be possible for a polariscopist, instead of reporting its true reading, to report lower or higher. That is, that the polariscopist can report a lower or higher reading than the actual reading of his instrument. In cases of variation I would take the test for classification, of the two, that would read the nearest. In cases where the test would be 94.3 and the second 94.4 and the third 94.5? I would not have made a third test in that case; I would take the lower of the three.

If the first test was 94.4, and the second 94.7, and the third 94.3? I would not have made a third test in that case, since 94.3 would have been within the regulations. In that case 94.3 would be the test. There is not always a variation of three-tenths.

Our instructions are to take the lowest of the two tests; except when I see that a third test is required, then we take the test of the two that agree the nearest.

I don't say that for the quartz-plate three-tenths can come off legitimately from a test of sugar without any trouble. I don't think that three-tenths would come off. I would interpret regulation 48 as meaning not more than three-tenths could come off. I am not willing to admit that three-tenths can be very easily dropped off determinations by the polariscope.

The idea is, where two tests are made, one 92 and the other 92.3, the regulations say we should take the lower. In that case I would feel perfectly safe in taking the lower, but I do not mean that we could take off three-tenths from the classification and say nothing about it.

A re-test requires a new sample. If we lost the laboratory test of the sugar it would simply mean another test.

I have seen notices occasionally, in which verifications of certain numbers were desired.

They were simply little notices "please verify so and so." I think very often there was

no signature. They were some times directed to Dr. Sherer, and some times without any direction at all. I have supposed that was caused by possibly some doubt in the minds of the gentlemen of the 8th division regarding the actual test. I have seen these slips. I don't recollect seeing a signature, although I think I have too. It was ex-Assistant Appraiser Frank Hays, I think. I can't say the actual number of such requests. Some one connected with the actual work told me that there were twenty in a day. I can't recollect about that time who told me; whoever it was would speak of it as a matter of course, and without any desire to tell me. A verification means so much more work for the people who are testing.

I do not know why sugars are imported at New Haven rather than New York. The only way that I can account for it is simply that there is considerable molasses brought in on the vessel and the molasses are sent right out into consumption to the immediate store-keepers in the town, and the sugar coming in that way would partly cover it up.

I can not recollect the actual number of hogsheds landed at New Haven under the new rate in a cargo, but I don't believe it would run over 150 or 160 hogsheds on an average. It might run considerably above that. I would not like to limit it.

I had no talk with the appraiser before seeing you; I have not seen him for some time, I think since the 10th June. He has not talked to me in regard to the sugar investigation, except when you first came here, then he spoke of it. He had very little to say about it. Whatever little talking there was I presume I did it. I think that Mr. Hinds came in while we were there; he did not conduct what talking there was; there was very little of it, hardly enough to say that there was anything about it. I mentioned the fact that I had seen you, and that was all. I told him that in a general way. I was impressed with the idea that he did not take very kindly to you. He had nothing to say about my talking with you that I recollect, but I recollect that he said that his office was always open for a proper investigation. I don't know that he stated that this was an improper method of conducting an investigation. I don't know that he even intimated it. I am only giving the impression. I don't think he stated to me or gave me to understand that if you were to question me it was to be done in his presence. I don't recollect so stating to you—not in that way, at any rate.

(To Mr. MOORE:) A week or forty-eight hours after that interview with Mr. Byrne, if he had put those questions to me, I would certainly answer them, as he told me that he meant to submit a lot of questions and he showed me what authority he had.

Mr. BYRNE. Did you not inform me on the 23rd of December, '86, when I said to you, "Did you tell the appraiser that you saw me?" You answered "I did," "for I want my superior officer to know that I am being questioned, and I think the proper way in which your inquiries should be made is through the appraiser, who said he was willing to afford you every facility if you have the authority," did you say that to me?

Well, not exactly in those words; at that time I had not received your official communication.

I don't recollect the appraiser saying to me that all conversations with you should be had in his presence. I don't think he gave me so to understand. I did not know so. I don't recollect having that impression and expressing it about, when I stated that I did not wish to talk anything about frauds in the matter of sugar or in regard to the use of decolorizing materials and the treatment of sugar by the polariscope. I recollect saying that I was willing to give you all the information I could.

I do not know of any fraudulent practice at the present time in the treatment of sugar, nor within the past three years, nor within the past seven years.

I have been here since 1883. I have heard of practices in the past—that is, that they would color sugar—but that was before I came here. I never recollect ever making the remarks "that it was about time that the frauds in sugar should be cut out," "as bad as a cancer," &c. I never said that Mr. Burt was at the head of the sugar ring or connected with it, or that there was a ring, or that I had any information to lead the Government to discover that there was a sugar ring.

I know Colonel Ayers. I saw him frequently in the laboratory in conversation with Dr. Sherer. He came in quite often, and I thought nothing of it. I did not know that he was the special agent to look after sugar. I was under the impression that he had considerable to do with it. I saw nothing strange in his presence. Special agents often came in. I could not say that any of them devoted such special attention to the laboratory as Col. Ayer. I suppose Col. Ayer was there a little more than the rest, but I never paid any special attention to it. He was an officer of the Department, and I would not pay any attention to it. I don't recollect seeing him there with Mr. Burt.

I don't know that General Bierne was engaged upon the investigation of sugar. I don't know what he came into the office for; sometimes it was for one thing and sometimes another. I heard him speaking to Dr. Battershall about various chemical things. I don't recollect any particular case now. Sometimes special agents come in there and have a chat. I have seen Colonel Ayers and Dr. Sherer talking together on several occasions,

I do not recollect having seen them together outside of the building except possibly at the entrance, but never away from it. I never saw them coming in or going away together.

I do not know who drew the regulations. I think Dr. Sherer had a hand in it, and I have heard that Col. Ayer had. I do not know, nor never heard that Mr. Burt had.

I don't recollect hearing that any other sugarman had a hand in it.

I do not know that any differences exists in the classifications of sugar between New York and Philadelphia.

I have never heard much about whether New York pays a higher or lower average duty on sugar than Philadelphia.

I saw Dr. Sherer to-day. He gave me no instructions. He did not suggest to me to demand stenographic notes. He said a day or two ago that he felt that a stenographer ought to be provided and I said at the time that I thought so too.

To Mr. MOORE:

He did not suggest to me to demand Mr. Byrne's authority.

If you had asked me any questions I would not have hesitated to answer you. I don't know what put it into my head to question Mr. Byrne's authority.

I think Dr. Sherer spoke about demanding Mr. Byrne's authority, and suggested stenographic notes. I don't know whether I spoke of it myself or not. I think I did. The reason I spoke about being put on oath was to make the thing legal all through.

I don't know that demanding the authority and stenographic notes was talked over.

I got the impression that Dr. Sherer was going to ask for a stenographer. In fact he said so, and I suppose it might be construed that he so advised every other person.

My reason for demanding the stenographic notes was that I could see if I was correctly reported.

I did not see the letter that Dr. Sherer sent to the appraiser with regard to the stenographer. I saw a letter from the appraiser to Dr. Sherer in which he said that you had come prepared to hold an investigation. It was addressed to Dr. Sherer. I think there were some sort of instructions in it.

I read the letter from the appraiser to Dr. Sherer which stated that Mr. Byrne and Special Agent Moore were to make an investigation into the importation of sugar at the port of New York. I simply read it over generally and saw what it was. I consider myself an employé directly or indirectly upon sugar matters. There was no suggestion in the letter sent by the appraiser to Dr. Sherer as to the scope of the investigation that you might make, further than to sampling, testing, and classification of sugars.

When Dr. Sherer showed me the letter he simply said it was a notice he had received. I don't recollect that he said he was going to do anything at that time; since that time he said that he was going to ask for a stenographer, or had asked for one. I think that was when the question of a stenographer first came up. I have no knowledge of matters that would be of information to the Secretary and explain to him how the service might be improved at this port so far as relates to sugar. I have thought sometimes that the regulation calling for over 25 per cent. out of the packages is not sufficient in many cases. I don't know whether it would be practicable to make a larger sample, but it seems to me that a larger sample would be better. I had always supposed the sampling of sugar was conducted in this way: A vessel arriving at the port with a cargo would have a certain number of packages under a certain mark, and it seems to me it would be better to have a larger sample than 25 per cent.; I should suppose that 100 per cent. would be better. It seems to me that a sample from each hogshead would be better.

It would be fairer to the importer and to the Government.

The sample of sugar we get, we know nothing outside of that sample. If that sample is a true one so much better for the Government and so much the better for the importer. But if it should not be a true one the Government is bound to be defrauded or the importer is bound to be defrauded.

No one had any talk with me connected with this department except Mr. Hinds, and that was when I met him in the appraiser's office, and he thought at that time that you had not the necessary authority—about the time that I saw you, about the 20th of December, I think. That was all there was about it; he simply questioned your authority. What he said before the appraiser amounted simply to his saying that he didn't think you had any authority. I think I told him I had seen your written authorization, and I think he said that he had not seen it, and the impression on my mind was that inasmuch as he had not seen it that I had better not talk with Mr. Byrne about—in other words, he might have doubted your statement. When I told him I had seen the statement of the Secretary authorizing the investigation I think he questioned it.

I have no knowledge of Mr. Byrne being shadowed by anybody connected with the appraiser's office, nor did I hear of it. This is the first I heard of it.

I have heard that you were at the custom-house and was working an investigation

there, and that you seemed to be doing a great deal of writing and going over the records. Dr. Sherer, I think, told me. It may have been that I asked him whether you were still working or had got through. I had a conversation with him relative to your work. On several occasions he talked to me about the sugar investigation.

I saw Dr. Sherer within a day or two after the day I walked down town with you, and, as I told you that day, I intimated, after you asked me to say nothing about it, that I did not propose to keep quiet, and I told the appraiser, and I think he saw Dr. Sherer, and to the best of my recollection there was nothing said about it for some time; but even to this day I have never told them everything; I did not question the wisdom, but I gave my word to Mr. Byrne that I would not. After the appraiser mentioned the matter I thought there was no reason for my reticence; the subject has been mentioned several times between us.

I have no statement that I wish to make, only this, that at the beginning of this investigation I had no intention of being discourteous to any person.

I saw a letter bearing upon the matter of employes engaged in the sampling and testing and classification of sugars at the appraiser's store, in the hands of Dr. Sherer.

I know Mr. Flowers. I think that he ranks as a sampler. He is employed in doing the clerk work at the laboratory. I believe that a Mr. Bowne is a superintendent of samplers. I don't know Seymour. I know J. F. Davis, his duties are examiner; he is engaged on opiums. I don't think he has any connection with sugars since 1883. I think I heard him say he was a sampler several years ago. That is J. F. Davis.

While I am not at the present time engaged on sugar, I have been in the past, and likely to be at any time.

It is a recognized fact in the laboratory here that the polariscopic tests at Boston have been higher than at this port. I think there is an impression here that Mr. Leary reads his polariscope too high at times on his comparative tests.

I think it is attributed more to incompetency than to fraud. I have taken the same sample of sugar, and in the percentage of water there ought to be a closer agreement than there is.

I think that the impression prevails that New York is right and Boston is wrong as regards the use of the polariscope.

I know Jas. G. Dale; he belongs to the eighth division; he is in the habit of loaning money; my impression about his rates of interest is that he is not over modest; I could not say the amount he charges is bonus or interest.

I don't know whether Dr. Baker read the polariscope in the laboratory. I don't think he ever stated that the polariscope is wrong; that he read it different from what it was set. I think he has read a quartz plate, but what his reading was I don't know.

WM. D. CRUMBIE.

Sworn and subscribed to before me this 7th day of July, A. D. 1887.

T. AUBREY BYRNE,
Special Treasury Officer.

Witness to above.

H. A. MOORE,
Special Agent.

WM. D. CRUMBIE, an employe of the U. S. laboratory, again called before me on this 7th day of July, A. D. 1887, makes the following statement:

That on leaving the examination room when I first appeared before you, and upon my return to the laboratory, Dr. Sherer, the chief chemist, asked me if I had been sworn, and when I replied in the affirmative, he laughed, and I told him and Capt. Flowers, who was present, that I could say nothing on the subject, as I was under oath.

WM. D. CRUMBIE.

Sworn and subscribed to before me this 7th day of July, A. D. 1887.

T. AUBREY BYRNE,
Special Treasury Officer.

Witness to the above.

H. A. MOORE,
Special Agent.

EXHIBIT 121.

JULY 18, 1887.

ERNEST J. CHAPMAN, messenger to the laboratory, under oath declares as follows:

I originally entered the service at the Varick-street laboratory, on or about August, 1880, as office boy to Dr. Sherer, chemist in charge. About Nov., 1883, I was appointed messenger to the present laboratory at a compensation of \$840 per annum.

I was removed in July, 1885, by Appraiser McMullen, so far as I know for political reasons. I was reappointed messenger in October, 1885, at same salary—\$840 per annum, and this position I hold to-day.

My assignment is to assist Dr. Baker, who has immediate charge of the classification of anilines, wools, dye-stuffs, etc.

I am 22 years of age. I have picked up my knowledge of chemistry in the U. S. laboratory.

I sometimes take the place of a polariscopist who may be absent, and under direction of Dr. Sherer I test sugars; he or Examiner Abbott supervises my work.

The last time I tested sugars for any continuous period was during the absence of Examiner Morse for two weeks and thereabouts; this was during the present month (July, 1887), when Mr. Examiner Morse was absent on his vacation. At odd times I am called by Dr. Sherer to take the place of any absentee in the sugar laboratory.

I do not know how to adjust a polariscope. I do not know how to use a quartz plate. The polariscope that I use is always adjusted for me by the chemist in charge.

I weigh and otherwise prepare sugar solutions. When I am not employed in the sugar laboratory I am engaged on Dr. Baker's work.

Sometimes, in the absence of Capt. Flower's clerk of the laboratory, I make out sugar certificates of polarizations. I have carried these certificates to the sugar-room.

When I am testing sugars I always work in duplicate—with another polariscopist.

Dr. Sherer or Examiner Abbott invariably verify my readings when they do not correspond within three-tenths of one degree of the reading of the duplicate.

The rule of the laboratory is that if one reading showed 89.9 and the duplicate read 90.1, then, in my opinion, the 89.9 would be accepted as the test for classification as per regulation, because the variance did not exceed (3) three-tenths.

I know that requests for "re-tests" and "verifications" are often sent to the laboratory.

I do not know Mr. Dreyfous by name; neither do I know that he is a sugar broker. I never saw Broker Burt in the laboratory; I do not know what sugar firm or refinery he represents; I have seen the man I think is Broker Burt in the appraiser's store, but when I can not remember. I have seen Spl. Agent Ayer often talking with Dr. Sherer when he was stationed here in New York.

I know Mr. James Dale, employé 8th div.; he brings sugar samples and requests for re-tests to the laboratory from the sugar-room. I have heard from my associates in the laboratory that Mr. Dale loans money to the employés; I never heard that he charged any specific rate of interest; I have heard of his taking compensation for making loans; I have heard that he has, in some instances, taken pretty stiff rates.

I think, in one instance, Dr. Sherer told me that Dale had got from him a pretty stiff rate; I could not say that no one else had informed me to the same effect.

I have carried word or messages to 122 Front street, Sherer Bros' laboratory, from Dr. Sherer; I could not tell the word or messages I took; I can not swear that I was or was not at the laboratory of Sherer Bros., 122 Front street, this city, inside of two years.

I know that William Kisney was at one time employed at the laboratory of Sherer Bros.

I never heard that Dr. Sherer was at any time making a bronze powder.

I knew that Dr. Sherer was Turkish consul, and as far as I know he is at the present time. I do not remember seeing any Turks call upon Dr. Sherer at the laboratory since last winter, but prior to that time, at long intervals, one or two did call upon him.

As a general rule, certificates of tests of sugars made are sent to the sugar room on the same day; otherwise they would be sent in the first thing the next morning.

I sometimes make deposits for Dr. Sherer at the People's Bank, corner Canal and Thompson streets, this city. When requests for re-tests are sent to the laboratory they are written on slips; *i. e.*, "Please verify the following, 3541, 3442, 3543, etc., etc.," these being the numbers on the samples tested that day or a few days before. Sometimes these requests have been signed by Examiner Remsen. I do not remember whether all the requests are signed.

ERNEST J. CHAPMAN.

Sworn and subscribed before me this 18th day July, 1887.

T. AUBREY BYRNE,
Spl. Treasury Officer.

EXHIBIT 124.

NEW YORK, *July 13, 1887.*

HENRY J. ABBOTT, sugar chemist in laboratory, states as follows:

In 1878 I was aware of irregularities in the matter of colored sugars, and was employed by the Government to help prevent and detect the same. Since the polariscope has been in use by me, which has been for five years previous to the law authorizing its use, I used it to detect the strength of sugars which had been colored down to evade Dutch standard classification. I am not a graduated chemist, but have been taught the use of the polariscope by a chemist.

In case a sample tested 96.1 and then again tested 96.6 a re-test would be necessary, and supposing the re-test now necessary should be 96.4, then the test 96.4 would be taken. The rule of the laboratory is duplicate tests required by regulation, and more tests are made in cases of disagreement.

We use the three-tenth latitude by regulation par. 35 in reporting our tests. Sometimes tests read over, repeat themselves thus, 89.1, 89.1, but I would not swear by that one-tenth. They very often repeat themselves as 88.2, 88.2, but the variance in reading between the first and second reading would be more often three-tenths up or down.

This relates to the reading of tests and re-tests, and applies to low-grade sugars particularly. The reason of this is that these low-grade sugars mixed for the tube have a peculiar color, which influences the solution. We have no method of removing that color, hence tests vary sometimes in the reading from 3 to 5 tenths of a degree. Centrifugal sugars tested do not vary more than from 1 to 2 tenths, so that one-tenth or two-tenths of a degree, when reading a solution of centrifugal sugar, is an important factor in determining the rate of duty to be assessed. I will not swear by one-tenth as to accuracy. The color of the solution, to my eye, should be an orange-green, in order to read my polariscope most accurately. A dark yellow color of solution is hard to read. All chemists have different colors which suits their eye best to read by. I am in charge of the laboratory when Dr. Sherer is not there, which occasionally occurs. Employés of the 8th division who visit the laboratory are Examiner Rensen, Messenger Dale, Examiner Bowne, and the laborers in the sugar-room who bring the samples up. Mr. Dale usually brings the requests for re-tests, and sometimes the samplers and examiners visit the laboratory.

I do not know of a case where any outsider has visited any one in the laboratory. Mr. Frankenstein does not and has not been in the laboratory in two years to my knowledge. There have been a few cases where men of Turkish nationality have called to see Dr. Sherer at the laboratory. Dr. Sherer used to be Turkish consul, but I do not know whether he is at present. I have seen Mr. Jas. Burt, sugar broker, in the laboratory with Spl. Agt. Ayer some time ago, but do not recollect seeing him since. I know that the sugar regulations were drawn up by Spl. Agt. Ayer, assisted by Dr. Sherer, and I also assisted. I have no doubt but that Mr. Jas. Burt had something to say to Spl. Agt. Ayer about the drawing up of the regulations. I have heard them in conversation about them. Mr. Burt liked to have his oar in, and I think he always does have more or less to say about sugar matters, when he can. I found him upon one occasion some time ago, when the laboratory was located on Hudson street, perusing surreptitiously in the laboratory my official letter-book, at the time I was working on colored sugars in which he was interested. While I am not exactly prepared to say he read anything in it, it was where he could, and not in the place where I left it the night before, thereupon we had some very sharp words.

I have seen Mr. Burt and Dr. Sherer occasionally in conversation in the hallways of the building. In my judgment probably 10 per cent. of the samples that come to the laboratory are verifications of tests already made. These requests for verification come from Examiner Rensen, but would not be made by him unless requested to do so by the sugar importers or their brokers. I do not know what the percentage of work is arising from re-tests, as they come to the laboratory as original samples, but we sometimes think we recognize the sugar that we have passed on but an hour or two before, and a common remark in the laboratory in such cases is, "I suppose this is some of Burt's sugar," as we all understand that he is never satisfied, and makes determined effort to get as low test as possible. I have occasionally visited the sugar-room, and I think it would be a good plan to have the sample cans washed and dried in a separate room, free from moisture.

I bought my Scheibler polariscope in 1879. At that time I tested it with C. P. sugar, and found its scale to be correct from 50 to 100. I daily read my quartz plate in my instrument, to see that nothing has thrown the same out of adjustment and to test the accuracy of my eye.

We have in our laboratory two quartz-plates marked 96 and 99½. My instrument to-

day is four-tenths low to my eye, so that I add four-tenths to every reading of a test to-day. One of these quartz-plates (the 99 $\frac{1}{2}$) was tested by Dr. Gideon E. Moore, by means unknown to me, and the correctness of its value certified to by him, as I have heard, although I have never seen the certificate. I understood Dr. Sherer to say that he had the certificate. I have never seen any mark which indicated the value of this quartz-plate, except on a piece of paper pasted on the tube, written by some one in the laboratory, or perhaps by Dr. Sherer himself. The reason of my instrument being four-tenths low to-day was because some one had evidently tampered with it after I left the office yesterday.

Mr. Cole and Mr. Smiley, messengers in the laboratory, do the breaking up of the samples and mixing them before they go to the scales. Each reader of a polariscope, except Mr. Morse, reads his own polariscope. The latter is unable to do so, presumably from defective eyesight.

H. J. ABBOTT.

Sworn and subscribed to before me this 13 day of July, A. D. 1887.

T. AUBREY BYRNE,
Special Treasury Officer.

NEW YORK, July 26, 1887.

H. J. ABBOTT, sugar examiner and polariscopist, further states as follows:

I think that after my examination before you I remarked to Dr. Sherer or somebody else that I did not like the idea of the answers being taken down without the questions, and that I considered it an unfair way of doing. I was dissatisfied with myself for signing my evidence without the questions.

At this examination I have heard Mr. Byrne state that it was by the direction of the Hon. Secretary of the Treasury that the questions were not to be incorporated in the testimony; but I only have Mr. Byrne's statement for the fact, and I still think that the questions should be incorporated with the answers, as I do not consider it a fair way of doing.

I consider that I have been courteously treated by you gentlemen.

H. J. ABBOTT.

Sworn to and subscribed before me this 26th day of July, A. D. 1887.

T. AUBREY BYRNE,
Special Treasury Officer.

EXHIBIT 125.

STEPHEN W. BASSETT, stenographer to appraiser, states as follows:

I am stenographer to the appraiser. I have read the Secretary's orders under date of July 1st, addressed "to any officer or employé at the appraiser's store, New York."

I have subscribed to the oath.

I recognize the orders of the Secretary; but Mr. McMullen is my chief, and I am also responsible to him.

I don't know whether I will answer that question just now at all (to observe silence); I have already said that the letter of the Secretary there is binding, and that I understood that part of it, and appreciate it. Of course I say that I am not going to do anything that is against the orders of the Secretary.

If the appraiser should ask me anything in regard to this examination I think I would tell him. I want to state that the appraiser would never ask any such questions; the appraiser does not go round asking questions of what has occurred or anything of that kind.

Of course I would not keep anything from the appraiser.

I want to state that after reading the Secretary's letter again, that I simply wish to state that I shall be governed by that letter, that is all.

I write the letters of the appraiser. The appraiser dictates a great many letters. I decline to answer whether or not he invariably dictates his own letters.

The three letters bearing date 15th July were dictated to me by the appraiser, and addressed to Mr. T. Aubrey Byrne. There are letters sometimes dictated by Special Agent Hindes for the appraiser's signature. Where there are things of that kind done, it is done by direction of the appraiser, and he directs what shall be said; he directs Mr. Hindes what to say.

Now and then there is a letter written by Mr. Hinds where the appraiser has a thousand other things to do; the letter is written as he directed, then it is signed. I don't remember whether any letters have been returned to me disapproved by the appraiser. I refer to such letters as were dictated by Special Agent Hinds. I can not say who dictated the letter addressed to you (Mr. Byrne) under date of June 27th, but I think the appraiser dictated that letter. In everything pertaining to this examination I think the appraiser has dictated the letters, so far as those I have written. Special Agent Hinds has never been present when any letters addressed to you by the appraiser have been taken by me stenographically.

I take orders from no man except the appraiser. I have written letters from Mr. Hinds' dictation.

I do know Col. James Burt when I see him. I have heard that he is a sugar-broker. I have seen him in the appraiser's office. I have seen Col. Burt probably two or three times. Probably I have seen Mr. Burt sitting at the desk with the appraiser. I have never written a letter dictated jointly by the appraiser and Mr. Burt. I am sorry to say I was stenographer to Appraiser Ketchum. I am sorry that I ever knew him, or ever saw him.

My relations with the appraiser are official, and everything that the appraiser does is done (*) openly and overboard, so that there is no necessity for having any relations of a confidential or secret character.

I want to say that the Secretary's orders or request shall be strictly obeyed; at the same time Mr. McMullen is my chief and that I know Mr. McMullen would not come to me and ask me what has occurred in this room or what I testified. If he does come, then I will let you know.

There is no intention on my part, and I have no desire to violate the Secretary's orders.

The change made in the last line of page three is made at my request. [The word "done," marked with (*) was originally "dictated."—Printer.]

S. W. BASSETT.

Sworn and subscribed before me this 20th day of July, 1887.

T. AUBREY BYRNE,
Spl. Treasury Officer.

Stenographer BASSETT came deliberately into the examination-room without knocking, and pending the examination of Examiner Remsen and Jacobs, and in the presence of those gentlemen, Special Agent H. A. Moore, Clerk Ormiston, Stenographer Kerr, and myself, and in a loud, discourteous, and ungentlemanly manner made the following statement, without any preliminary remark or request that he would like to disturb the investigation momentarily:

"I want you to change that statement that I made and put in the questions as you made them, and my replies, as the way you have it is not a fair statement."

I asked him to make his statement so that the stenographer could take it, and he said "that was all there was." Special Agent Moore then said, "Mr. Bassett, this is hardly a fair way to present your statement to the Commission." To which he replied to this effect, "that he did not propose to be bulldozed."

He was told that his remarks would be presented to the Secretary of the Treasury, and he said that he did not care, or words to that effect.

T. AUBREY BYRNE,
Spl. Treasury Officer.

The above is a true statement.

H. A. MOORE,
Special Agent.
H. W. KERR,
Stenographer.
ROBERT MCGREGOR ORMISTON,
A. G. REMSEN,
Sugar Examiner.

Mr. William C. Jacobs refuses to sign.

U. S. APPRAISER'S STORE,
New York, July 22, 1887.

EXHIBIT 126.

NEW YORK, July 12, 1887.

GEORGE M. ANDERSON, opener and packer, detailed as clerk, states as follows:

My especial duties are to receive the sugar invoices from the invoice bureau before classification has been made. I enter them on my invoice book as follows: Name of importer, vessel, invoice No., entry No. When I enter upon the sampler's slip the name of importer, name of vessel, number of packages, kind of sugar, dock where vessel is, and marks and numbers, which go to the sugar-room.

As soon as classification has been made, the invoices are returned to me to be sent to the invoice bureau, whereupon I make the proper records in my book.

Sometimes Mr. Johnson and Mr. Trainer have come to me to obtain from my books information as to invoices at the request of the sugar brokers. Mr. Trainer and Mr. Johnson, usually came to me when inquiries were to be made for Mr. Burt's invoices. There were less inquiries made of me for information as to Mr. Burt's invoices from the fact that his work is pretty well kept up by Mr. Trainer and Mr. Johnson. Mr. Dreyfoos usually obtains his information through them also. Information for Mr. Burt, relative to importations of sugar, memorandums, classification, etc., are left in the invoice blotter for Mr. Burt's inspection. Mr. Burt visits the division nearly every day. Information for other brokers such as tests, classifications, etc., are sometimes laid on Mr. Trainer's desk for the information of other brokers.

Occasionally I have heard Mr. Burt and Examiner Bowne wrangling in a loud tone of voice about their tests when Mr. Hay was ass't appraiser. I have understood that Mr. Dale loaned money to an employé. Classification can not be posted at the close of business each day. By the rule of the appraiser, invoices can not remain in a division longer than 7 days, except by returning the number of the invoice to the invoice bureau. Brokers desiring to hold back their invoices attach thereto written request for re-test or re-sample. This detains them.

GEO. M. ANDERSON.

Sworn to and subscribed before me this 11 day of July, A. D. 1887.

T. AUBREY BYRNE,
Special Treasury Officer.

EXHIBIT 127.

PHILO COLE, messenger in the laboratory, states as follows:

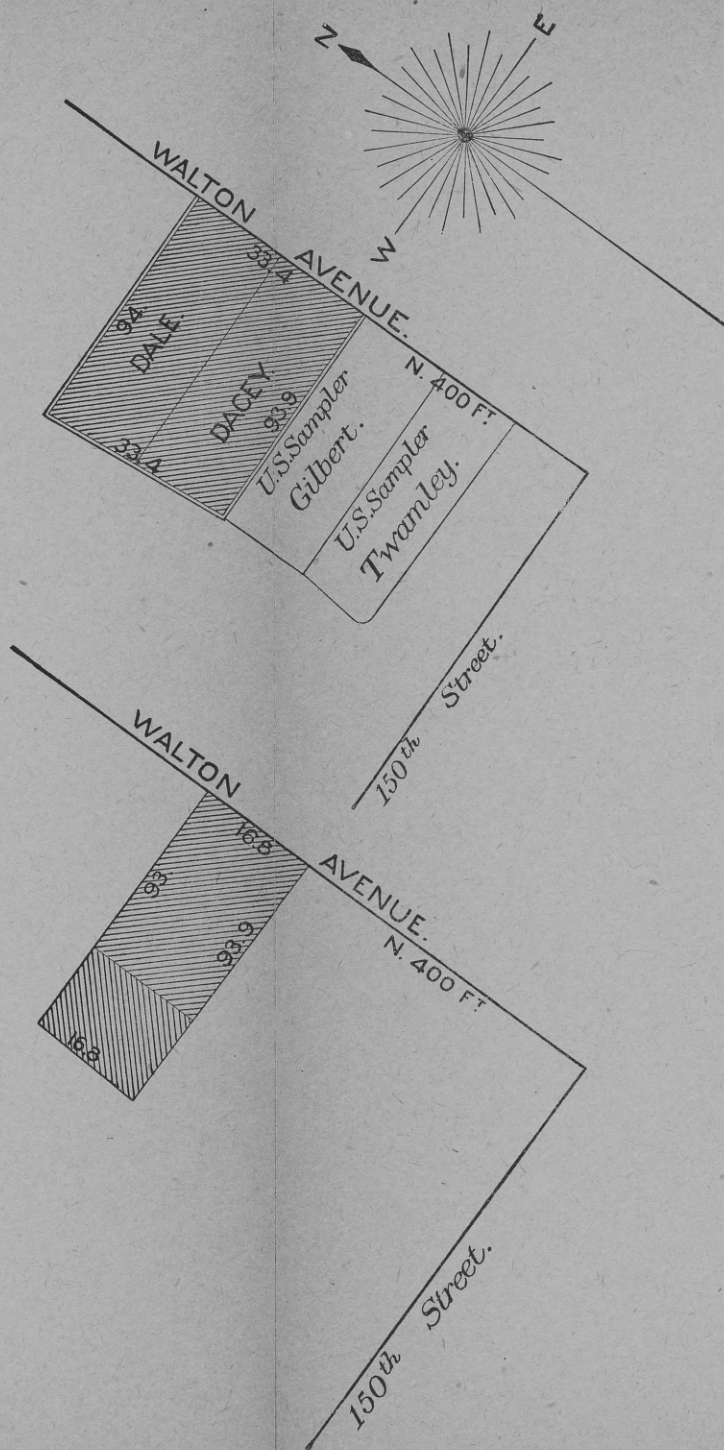
I was appointed as a damage examiner in 1877; discontinued about 1880; in 1883 as messenger in the 5th division. I was removed in July, 1885, and re-appointed as messenger in July, 1885.

Since my last appointment I have been employed all the time mixing sugars for tests in the laboratory. My duty consists of cleansing the tubes containing sugar solutions for tests, as also mixing the sugars for the weighers as they come in. I think that I have heard them say in the laboratory that that man (pointing him out) was Col. Burt. I have very seldom seen him there. I have been told that he represented Havemyer and Elder. When the sugar samples come up from the laboratory they come in tin sample boxes, the serial number of the sample is pasted on the side of the can, the contents are dumped upon the table, from this into a mortar and carefully ground up, reducing the lumps to grains. Sometimes we find particles of wood and gravel and coal and pieces of ravelings. These are always carefully removed so that the sugar is in a clean state, as clean as eye and careful manipulation can make it.

Sometimes the lumps are dry and hard, and sometimes the lumps are moist. Sometimes the sugar comes very wet; it sometimes comes very soddy, heavy, and particularly moist; sometimes it has the appearance of being very footy. I will not say that these very moist sugar samples have been made so, but still they would have the appearance. I have never reported the fact of the sugar being particularly moist. Dr. Sherer, chief of the laboratory, superintends my work. I take all orders from him. When Dr. Sherer is not in the laboratory Examiner Abbott is in charge. Dr. Sherer is occasionally away from the laboratory.

This particularly moist sugar always necessarily entails a very low test.

As I have been a damage examiner these sugars that are brought up to me are not damaged sugars. If I had realized that they were damaged sugars I would have immediately reported that fact.



Deed, August 7, 1886. Henry L. Morris to Anna T. Dale, wife of James S. Dale; con., \$3,200. Recorded Aug. 14, 1886.

Deed, September—, 1886. Anna T. Dale, wife of James S. Dale, to Jane M. Ducey; con., \$7,000. Recorded September 1, 1886. Mortgage, \$4,000.

I have frequently seen samples returned to the laboratory for re-tests, the identity of which I have felt perfectly satisfied of, and Mr. Smiley and myself would often remark that "this is the sugar that we had a little while ago." They sent them back twice.

I may have heard the remark made that when sugars have been sent up often for re-tests, and the work has come in late in the afternoon when we were about to close our day's work, that these sugar samples are some of "Burt's sugars."

Sampler Ball does not test the damaged sugars, and prepares the same.

Damaged sugars are brought into the laboratory in papers by John Sherer, damage examiner, and put one side; then Sampler Ball mixes and tests them, and when Ball is away I think same have been tested by Mr. Crumbe.

I have heard that there was a firm called Sherer Brothers in this city. I have heard that they were chemists. I never visited their laboratory. I have seen foreigners visit the sugar laboratory and call upon Dr. Sherer.

Sometimes I have taken invoices from the laboratory to Mr. Remsen. I know the difference between a certificate of polarization and an invoice, and am familiar enough with customs business to know an invoice when I see it. Sometimes, six times a month, I have carried invoices from the laboratory. This invoice which you hand me is similar to those that are carried by me from the laboratory to the sugar-room, though they are always folded up and I don't see the inside; still, from my knowledge of customs matters, I know that they are invoices. I can't state positively whether the papers that I have carried to the sugar-room were invoices or certificates of polarization.

I know Mr. Dale, of the 8th division. I have heard something or other about Mr. Dale and money transactions.

Philo. Cole was born 1808 or 1816—"don't know which."

PHILO. COLE.

Sworn and subscribed to before me this 19th day of July, A. D. 1887.

T. AUBREY BYRNE,
Special Treasury Officer.

EXHIBIT 128.

NEW YORK, July 11, 1887.

JAS. S. DALE, opener and packer in the 8th division, states as follows:

I have been employed in the 8th division in one capacity and another for the past 13 years, the principal part of that time being connected with sugar work. I have no knowledge whatever of any irregular practices in the importation or treatment of sugars for duty. I sometimes carry the samples of sugar for test from the sugar-room to the laboratory, but I have never carried any message from a sugar broker to the chief chemist in the laboratory. I know of no employé at the appraiser's store who has had or at the present time has any interest whatever in the residue of sugar from the sugar samples, and I have never had interest in the same. I have never received a dollar from any one for any sugar that may have left the appraiser's store, directly or indirectly. It is my general duty to take charge of the refuse sugar samples, which I generally do before 9 o'clock in the morning and after 4 o'clock in the afternoon, as I have not time to attend to them between office hours, my duties consisting of looking after the store goods, such as confectionery, glucose, etc., and in assisting in the making up of samples for the laboratory with the other employés of the division who are under Examiner Remsen, as, for instance, the examiners and samplers on the city district No. 1, when not otherwise employed.

Thos. D. Tate and Robt. Cunningham are the only ones who are steadily engaged in the sugar-room in making up samples for the laboratory. Thos. D. Johnson keeps the test-book and performs other clerical work in the sugar-room. I generally deliver the samples in the laboratory to Mr. Philo Cole or Jas. Smiley, employés in the laboratory. I have never informed any employé of the laboratory whose samples I was delivering and never was asked. Some of the employés connected with sugar matters asked me if I refused to take the oath of secrecy. I informed them that I refused to take the oath. I know Barney Philips, but I have not seen him within a year. I have had no conversation with Sugar Broker Jas. Burt relative to this investigation. My official duties keep me always actively employed during office hours. When I desire to absent myself from the division I invariably ask permission of the appraiser, and get it. For the past two years I have been absent but one day. I don't think I have been absent any portions of a day for the past 18 months. I have loaned money to the employés of the appraiser's store. I charge no interest or bonus. I have seldom received any compensation for making loans. In some cases where I have been put to the trouble of getting the money from a friend who had money in bank I have charged equivalent to the interest for the accommodation. I may have taken some interest from some of my brother

officers, but I am not sure. I have no other source of income outside of my salary, which is \$3.00 per diem.

I have lived carefully and within my income, and whatever my accumulations may be they have been derived through my salary. Appraiser McMullen has signed checks brought to him by me, belonging to other employés of the appraiser's store. I have no connection with business affairs outside of my duties as an employé of the Government. I am well enough acquainted at the sub-treasury to get employés' checks cashed for them. I own no real estate. I have bought no real estate since I have been in the service, and have bought none for any other person. I have sold no real estate to any officer or employé of the Government. I reside at 635 Walton ave., N. Y. City. I never sold a piece of property to Mr. Jas. Doucey, superintendent of openers and packers. My wife owns some property on Walton ave. She sold a piece of property to Mr. Doucey, and also a piece to Mr. Peter Twamley, a sampler, also another to Mr. Geo. K. Gilbert, a sampler. I do not know that she has sold any to any other employés of the Government. My wife has acquired during the last two years seven building lots on Walton ave., New York City. My wife built four houses on four of the lots. The total value of the property might be considered at a fair estimate to be valued at about \$25,000. My wife has been engaged in no business since I have been an employé of the Government. There is no particular difference in the value of the four houses. I have built houses in former times, but failed in business in 1873 or 1874.

I did not assume any active direction in their erection—my wife and a friend, who was a builder, directed their construction. I never visit the location during business hours. In regard to the complaint of Verrinder & Callahan, that they were not receiving all the sugar samples that they were entitled to, I have to say that I reported to the asst. appraiser that they had received all they were entitled to. I have never seen Mr. Jas. Burt, sugar broker, in the sugar-room, neither do I recollect of seeing Mr. Dreyfoos there. I have no knowledge of any changing of sample packages of sugar at the Matherson & Weigher Sugar Refinery Works, Jersey City, neither do I recollect of making a statement to any one that I had such knowledge.

I know of no irregularities whereby tests are lowered, but I am of the opinion that the tests can be lowered by sampling in wet weather or moist-days, or by the use of water on triers or the taking of the sample from low-grade sugar, and other causes. And I am of the opinion, from nine or ten years experience in the sugar-room, that the interests of the revenue would be better protected by washing the tin cans in which samples are placed for transmittal to the laboratory in an entirely separate room from the sugar-room in which the samples are mixed and prepared for the chemist, and for the following reasons: That the moisture and dampness arising from the hot water used in washing the cans influences and moistens the atmosphere of the room, which moisture would naturally be absorbed by the sugars, as nothing to my mind takes up moisture as quick as sugar, which is a well-recognized fact, and thus lowering the test for classification. Another advantage would be, that it would relieve the opportunity of any dishonest person to manipulate samples with water, if the cans were washed in another room.

Either Mr. Trainer or Mr. Johnson, clerks in the 8th division, receive applications from sugar importers and brokers for re-tests. I think I have known cases where two re-tests have been made of sugar samples.

J. S. DALE.

Sworn and subscribed to before me this 11th day of July, A. D. 1887.

T. AUBREY BYRNE,
Special Treasury Officer.

EXHIBIT 129.

NEW YORK, July 25, 1887.

ROBERT CUNNINGHAM, opener and packer, detailed in sugar-room to wash cans:

About 18 months to two years ago Broker Burt, with Asst. Appr. Hay, Mr. Dale, and I think Dr. Sherer, were in the sugar-room examining a sugar-crushing machine. This machine, I think, was approved by Special Agent Ayer. Mr. Hay said it was a nice piece of machinery. Broker Burt strongly disapproved of it. It has not since been used. The machine is now in the sugar-room.

Sometimes I carry notes to Dr. Sherer from the sugar-room. These notes ask for a re-test of a certain serial number. If Dr. Sherer is not there I give them to Mr. Abbott. I often hear a remark in the sugar-room like the following: "The Colonel (meaning Broker Burt) has come. Anything for the Colonel?"

ROBERT CUNNINGHAM.

Sworn and subscribed before me this 25th day of July, A. D. 1887.

T. AUBREY BYRNE,
Special Treasury Officer.

EXHIBIT 130.

NEW YORK, July 25, 1887.

ISAAC W. COLE, sampler, 8th division, states as follows:

I was originally appointed opener and packer in 1884; dismissed by Appr. McMullen without charges in 1885; passed civil-service examination and on eligible list; appointed sampler in June, 1885. While I was originally opener and packer, I was detailed as clerk in invoice bureau.

I know of no irregularities in the sampling, testing, or appraisement of sugars than occasionally arises from the fact that the sample packages are not always properly laid out mark by mark, and thereby endangering the collection of the proper duty. I heard of one case where the examiner, Mr. Bowne, called our attention to some samples that he considered too wet. I have been warned with other samplers not to use a wet sponge.

Merchant samplers are in advance of us in drawing their samples. When sent to draw re-samples, I have sometimes found the packages melted up. I have sometimes found various grades of sugars, mixed in a certain mark, and if we were not alert, the Government revenue would be defrauded.

The outside men, meaning the examiners and samplers, take their orders from Examiner Bowne, as a general thing.

We are sometimes compelled to use a lantern in the refineries in order to distinguish the sample packages, their marks, and to ascertain whether they have been stencilled. Ilsilo, Cebu, and Manila sugars are rarely laid out mark by mark, thus imperilling the interests of the Government as far as revenue is concerned, unless we are careful in our sampling. I have sometimes drawn No. 1 sugar from an Ilsilo cargo, which was laid out as No. 3 sample; this I have often seen. We samplers are compelled to carefully watch the quality of this kind of sugar when we draw samples, in order that the Government may obtain its proper revenue.

I have heard it stated that Ilsilo sugars have been permitted to be discharged, no marks indicated, and yet the weigher enters upon his return weights for marks, explanatory information being probably obtained from the importer.

ISAAC W. COLE.

Sworn and subscribed to before me this 25 day of July, A. D. 1887.

T. AUBREY BYRNE,
Special Treasury Officer.

EXHIBIT 131.

PATRICK H. DOONAN, messenger in laboratory, under oath, states:

I carry the sugar reports from the laboratory to the sugar-room.

I have sometimes carried messages from Captain Flowers to Mr. Remsen, to prepare certain sugar for comparative tests.

I have sometimes carried up, at the request of Clerk Johnston, who keeps the test-book in the sugar-room, requests for re-test like this sample which you show me, but they are folded up in note fashion. Mr. Johnston asks me to hand them to Dr. Sherer; about a half a dozen times this occurred. Sometimes I carry little memorandum notes from the laboratory to the sugar-room.

I used to see Broker Burt coming up and down stairs in the building; I have seen him very often; so often that it was an occurrence that did not impress itself upon me, looking after the interests of the firms that he represents and getting his sugar passed, &c.

I have met Mr. Remsen going up into the laboratory very often.

* * * * *

The first time I saw Dr. Sherer in his office after making the above statement he asked me how I came out in the examination, and if I was very much disfigured.

PATRICK H. DOONAN.

Sworn to and subscribed before me this 25th day of July, A. D. 1887.

T. AUBREY BYRNE,
Special Treasury Officer.

EXHIBIT 132.

NEW YORK, *July 26, 1887.*

NERCHOLAS I. FLOCKEN, sampler, 8th division, states as follows:

I was originally appointed opener and packer in 1885, and made sampler in May, '86.

I use a damp sponge to clean my trier, although I am furnished with crocus cloth to clean the same. I mean by a damp sponge that which water can not be wrung from it. I do not use a sopping wet sponge. I do not use a sponge out of which water would run upon the floor if squeezed on my trier. My attention was called by Examiner Bowne, when I was first made sampler, to certain sugar samples which had the appearance of too much water being used in drawing them. He informed us that it was irregular, and that the men were liable to be discharged upon the district upon which it occurred.

On the day in last November when you were upon the dock watching the sampling of sugars at the Havemeyer & Elder refinery I do not remember that I used a sopping wet sponge. I remember of sampling a row of hogsheads that day in your presence. I did not know on that day that you were a Government officer. No one ever positively instructed me to use hot water in the sponge. I remember being accompanied by you to the Brooklyn refinery. Broker Dreyfoos may have also been present, but I do not remember it. I do not remember of any conversation with him that day while sampling. Broker Dreyfoos or his sampler are sometimes about when sugars represented by them are being sampled.

In sampling mat packages I always try to get the sample from the centre. I never heard of the finding of fraudulent stencil-plates. I have always found sugar samples properly laid out mark by mark; I have always found Iloilo, Cebu, and Manila sugars mark by mark. I have found occasionally in mat samples one or two samples of high or low grade sugars which did not belong in the file where they were, and consequently were not taken by me as a sample. I have been ordered by the examiners to go through the cargo and see whether the sugar of a certain mark in the cargo corresponded with the sugar representing that mark in the sample pile. I have never found any difference. Almost daily we have to sample in the dark in the warehouses, necessitating the use of a lantern. I have been on the refinery district but once or twice since I was appointed in May, '86, always being detailed elsewhere. I have known occasions where the weigher did not lay out the full complement of samples.

I have never in my experience seen the merchant samplers, except in the case of hogsheads, draw their samples before we do, but it is almost invariably that they draw their samples from hogsheads ahead of the U. S. samplers. I do not remember ever seeing bag samples which had been sampled by merchant samplers before us, and mats never. We always make up samples in tin boxes, and do not remember of ever putting any up in paper. I know Jno. Hetherington, the sampler for Broker Dreyfoos. He generally informs us when his cargoes are ready. I have worked on other cargoes while he was working on the dock or in the store. I have talked with him on all subjects of conversation other than sugar matters. I should judge Mr. Hetherington to be a communicative sort of person. I have been in the sampling office at the refinery, when permission has been received by telephone from the 8th division to melt up certain re-sample sugars asked for by the refinery people. I have never gone to draw samples from re-sample packages and found them melted up. It is with greater difficulty samples are drawn from hogsheads tiered two high than if only placed one tier high.

N. J. FLOCKEN.

I have signed each page of my evidence simply to make it certain that it is what I testify to.

N. J. FLOCKEN.

Sworn to and subscribed before me this 26 day of July, A. D. 1887.

T. AUBREY BYRNE,
Special Treasury Officer.

EXHIBIT 133.

NEW YORK, *July 12, 1887.*

ARCHIBALD B. FREEBORN, sampler, 8th division, states as follows:

I entered the sugar division as sampler about 1877, and have been in it nearly ever since.

I do not know of any irregularities in the importations of sugar relating to the sampling, testing, and classification of the same. I always draw my samples of sugar according to the regulations. I do use a wet sponge. A sampler could lower the test of a sample by using too much water on his trier. Tests of samples can also be lowered by drawing the sample from the footy portions of the packages; also by drawing low grade or moist, sweaty portions of bags. I have heard it spoken of once or twice that water was carelessly used in drawing samples. I do not know of any sampler that has been reprimanded for using too much water.

I remember an instance at the Havemeyer & Elder refinery where I called the attention of the examiner to the appearance of moisture in the sample hogsheads, and showed to Asst. Appraiser Hay samples of about 20 hogsheads indicating moisture.

I do not know what action he took. A similar case transpired at Robinson's stores a couple of years ago, when I called the attention of Examiner W. D. Davis to the matter. What action he took in the matter I do not know. Sample bags are always laid out mark by mark, except where marks can not be distinguished, when special orders are given. In the case of hogsheads no attention is paid to the separation of hogsheads mark by mark. I have heard of some instances where sample packages were not stencilled up by the weigher, but stencilled in the warehouse after the sugar was stored by some parties unknown. All samplers carry keys to the wooden chest containing samples.

As a rule sample cans are provided for the samples; when not available paper is used. Merchants' samples have been taken from sample packages before the U. S. samplers had taken theirs. Mr. Dreyfous is generally on the dock when his sugar samples are being taken at any of the refineries. Mr. Dreyfous's man, John Hetherington, draws his samples immediately after us. He has drawn samples before the U. S. samplers have drawn theirs, and has at times drawn them at the same time. Jim Vale, Burt's sampler, draws his samples before we get there. The heavy months for samplers' work are April, May, and June, when more than one-half of the yearly importations arrive. General samples are drawn from the cargo when a doubt arises as to the accuracy of the U. S. sample packages. This occurs about once a month. I have refused to sample packages where they were not properly laid out mark by mark. It is impossible on district No. 2 for one examiner to personally supervise the sampling in busy seasons.

We do not use the red plugs. I think they were discontinued under orders from Special Agent Ayer. At the Havemeyer & Elder refinery, which is in district No. 2, the sample packages are at times trucked way into the refining house where steam-pipes are in close proximity, and where the U. S. sample packages should not be placed, and sometimes from 24 to 28 hours elapse before the samples are drawn, thus giving opportunity for the moisture to penetrate the sugars and lower the test. When the U. S. samplers visit this refinery to take their samples we always find that some one other than a Government sampler has preceded us and taken samples from the packages, which is clearly in violation of the regulations.

It is a recognized fact that the samplers are compelled to work harder and longer than on any other district, and this particularly relates to the Havemeyer & Elder refinery, of which Mr. Jas. Burt is the representative at the appraiser's store.

We would not be called upon by our examiners to commence sampling a cargo on any other district after 3.30 o'clock p. m., while we have been called upon as late as 4.30 p. m. to begin sampling a new cargo for Havemeyer & Elder.

The inspectors, whose duty it is in discharging a cargo to see that it is unloaded properly and laid out mark by mark, and also to designate the place where the sample and re-sample packages shall be laid, do not perform this duty, thereby causing great inconvenience and delay in the sampling of the sugars.

We sometimes find amongst the sample packages damaged sugars, and if samples are drawn from these damaged packages the tests of the sample would be lowered for duty.

Generally one "trier" full of sugar drawn from a sample package will fill a sample can, if sugar be free centrifugals, but invariably we have to draw three or more, and what does not go in the can is spilled upon the ground.

The locks on the sample closets on the docks have been changed several times, for the reason, as I understand, that irresponsible and improper persons had keys to the closets. The present sampling regulations are good enough if they were carried out. Our tries have very little chance to get rusty, from the fact of their constant use. The practice of tiering up hogsheads two tiers high for the accommodation of the refiners should be by all means discontinued, as it is contrary to regulations and samples can not be fairly drawn.

I am often asked by the refinery employes to call up the examiner at the appraiser's store and ascertain if they can melt up sample packages. This I do and receive favorable reply direct from the sugar-room by telephone. Owing to this practice the Govern-

ment is unable to draw a re-sample in case it should be required, and is contrary to regulation.

A. B. FREEBORN.

Sworn to and subscribed before me this 13 day of July, A. D. 1887.

T. AUBREY BYRNE,
Special Treas'y Officer.

EXHIBIT 134.

NEW YORK, July 26, 1887.

GEO. K. GILBERT, sampler, states as follows:

I was originally apptd opener and packer in 1881 or 1882, and made sampler in October, 1885.

I know of no irregularities in connection with sugar matters at this port.

I use a damp sponge. In one or two instances Examiner Bowne stated that somebody was using too much water on his sponge and warned us against the practice, and showed us one lot of samples affected thereby.

I have assisted in grading cargoes of sugar where the marks were so indistinct that the sample packages could not be laid out properly by the marks. Sometimes we have been compelled to reject certain sample packages because they were manifestly of a different grade than the mark should contain. I have sometimes had to sample packages in refineries and warehouses by use of a lantern.

I have also sometimes found that when I had gone to draw my samples merchant samplers had been there before me. Sometimes we have been compelled to sample sugars at the refineries in wet weather, but under shelter. I have sometimes been ordered to draw samples from re-sample packages, and upon inquiry found them (the original and re-sample packages) melted up. I knew Broker Dreyfoos, and met Col. Burt once or twice. I know Jno. Hetherington and Jas. Vale, their samplers; they are sometimes working the same time we are. Early this spring I bought a house from Mrs. Jas. Dale, value \$7,000, well mortgaged. The original transaction was made with Mr. Dale and his wife, and an attorney then completed it. The mortgages referred to above are held by other parties than Mr. Dale; Mrs. Dale holding a second mortgage on the property. While at work in the sugar-room I have twice carried samples to the laboratory.

The last time I was at work on Havemeyer & Elder's refinery district, which was last month, I do not recall making but very few re-samples; I should think not more than one or two.

GEO. K. GILBERT,
Sampler.

Sworn to and subscribed before me this 26th day of July, A. D. 1887.

T. AUBREY BYRNE,
Spl. Treas'y Officer.

EXHIBIT 135.

NEW YORK, July 11, 1887.

THOS. D. JOHNSON, clerk and verifier, 8th division sugar-room, states as follows:

My particular duties are to keep the test-book. When the certificates of tests arrive in the sugar-room from the laboratory I transcribe the chemist's reports to the test-book. I enter all of the certificates in my test-book; the only other person entering them is Mr. Remsen, the examiner. I see in the test-books columns ruled under the heading of polariscopic tests, columns ruled and numbered 1, 2, 3, and 4, which, I presume, was intended for the purpose of filling in with the different tests made of the one sample. Only column No. 4 is used, in which I put the test for classification as indicated on the certificate from the laboratory. This custom I found in vogue when I entered upon my duties. Examiner Remsen always entered under the head of column "Tests taken as basis for classification," the classification of the sugar, which are identically the same figures that I write in.

The laboratory certificates are filed away once a month. There is more danger in losing a laboratory certificate than there is losing the test-book. I know of no other record of tests than those made in this test-book. I have seen Examiner Remsen pointing out to Dr. Sherer errors in the laboratory certificates of tests. Dr. Sherer frequently visits the sugar-room and has conferences together. I have seen Mr. Abbott, of the laboratory, also in the sugar-room. I have seen Damage Examiner Sherer also in the sugar-room. Capt. Flowers, the clerk in the laboratory, makes out these certificates and brings them to me in the sugar-room. P. Doonan also does messenger work between the laboratory and sugar-room, as does also Mr. Morgan, of the 8th division.

I was messenger in the second (sugar) division when Mr. Jas. Burt was assistant appraiser of that division. I succeeded Jacobs, the clerk and verifier, in his duties Nov. '85. I don't think I have been in the laboratory over twice since my appointment. Messengers from the sugar division almost daily visit the sugar-room with requests for re-tests from importers or their brokers. Brokers Burt and Dreyfoos make the most frequent requests for re-tests, as they represent the most sugar importers. These requests are brought to me. I pin the request to the invoice, after noting the request for re-test of the mark on the test-book, as for example: under date of Dec. 24, '86, Bay State Sugar Refining Company, represented by Broker Dreyfoos, Ex. "California" from Magdeburg, entered Dec. 21. Invoice No. 12371; there were the following packages: 500 bags beet sugar, marked "G 666;" 500 bags "B 406;" 500 bags "406 B;" 500 bags "B 406 C"—Examiner Remsen. No. of samples, 455, 456, 457, 458, serial numbers to laboratory Dec. 24. Chemist report dated Dec. 24; tests 93.70, 94.0, 94.0, 94.30.

Request was made by Broker Dreyfoos for re-test on Dec. 28, on mark "B 406 C," 500 bags, which was granted, the original test being 94.30, while the re-test brought the classification to 94.0, thus losing to the Government one full degree for duty ($\frac{1}{100}$ cent per pound).

Requests are usually made when the fractional part of the degree is small; thus 91.1, 91.2, 91.3, and 91.4.

I never saw Mr. Burt in the sugar-room, nor Mr. Dreyfoos, or any other broker, although I have been in the sugar-room nearly two years in charge of the test-book.

I have heard it spoken of that Mr. Dale loans money.

THOS. D. JOHNSTON.

Sworn and subscribed to before me this 11 day of July, A.D. 1887.

T. AUBREY BYRNE,
Special Treasury Officer.

[N. Y. Cat. No. 1118.—Certificate of polariscopic test of sugar.]

Sugar return, showing polariscope test, under Department circular No. 62, May 22, 1883.

U. S. LABORATORY, APPRAISER'S OFFICE,
New York, July 1, 1887.

Laboratory No.	1st test.	2d test.	3d test.	Test for classification.	Laboratory No.	1st test.	2d test.	3d test.	Test for classification.
2630	90-R	90-B	.....	90	2640	94	94	.....	94
2631	88.3	88.5	.....	88.3	2641	94.5	94-94.2	94	94
2632	87.5	87.8	.....	87.5	2642	95.4	95.7	.....	95.4
2633	85	85.31	.....	85	2643	88.9	89	.....	88.9
2634	53	.....	.....	53	2644	87.9	88	.....	87.9
2635	89.3	89-88.7	88.6	88.6	2645	89	89.3	.....	89
2636	93.9	94	.....	93.9	2646	88.3	88.5	.....	88.3
2637	95.9	96	.....	95.9	2647	88.7	89	.....	88.7
2638	88.7	88.7	.....	88.7	2648	88.8	88.8	.....	88.8
2639	89	88.7	.....	88.7	2649	89.3	89.3	.....	89.3

Approved:
EDWARD SHERER,
Chemist in Charge.

ROBERT RIGNEY, T. F. B.

[N. Y. Cat. No. 1118.—Certificate of polariscopic test of sugar.]

*Sugar return, showing polariscope test, under Department circular No. 62, May 22, 1888.*U. S. LABORATORY, APPRAISER'S OFFICE,
New York, July 1, 1887.

Laboratory No.	1st test.	2d test.	3d test.	Test for classification.	Laboratory No.	1st test.	2d test.	3d test.	Test for classification.
2612	79A	79L	.....	79	2624	88.5	88.8	.....	88.5
2613	83.8	88.9	.....	83.8	2590	76	75	75.7	75.7
2615	83	82.7	.....	82.70	2614	81.7	81.4	.....	81.40
2616	85.3	85	.....	85	2618	82.7	83	.....	82.7
2619	81	81	.....	81	2625	88.3	88.6	.....	88.5
2620	83.6	83.3	.....	83.3	2626	88.3	88.5	.....	88.3
2621	83.8	83.7	.....	83.7	2627	88.4	88.7	.....	88.4
2622	83.3	83	.....	83	2628	88.7	89	.....	88.7
2623	76.7	77	.....	76.7	2629	88.7	89	.....	88.7

Approved:
EDWARD SHERER,
*Chemist in Charge.*H. J. ABBOTT,
G. LANDSMANN.

EXHIBIT 136.

* NEW YORK, July 25, '87.

FREDERICK LEIMBACH, sampler, 8th division, states as follows:

It is a rare case that we find sugar packages not properly laid out. Sometimes we do find them not properly laid out, and this we know from the quality of the sugar as we draw our samples, and if we are not careful the Government will not receive its proper revenue.

I use a moist sponge with only a very little water in it. Examiner Bowne once called attention of the samplers to samples of sugar which he showed us as having been drawn on another district, and said there was too much water used on that sugar and warned us to be very careful about wetting our sponges. This occurred last fall. Sometimes we are compelled to sample sugars in the refineries and warehouses, where a lantern is necessary to distinguish marks and stencilling of the sample packages. I always deliver the key of my sample-boxes to the examiner every night.

I sometimes find that the merchant samplers have drawn their samples from the sample packages before we draw ours. I know John Hetherington and Jim Vale by sight, samplers for broker Burt and Dreyfoos. I have been sent to draw re-samples and found the packages melted up. I have heard permission given to refiners, over the telephone from the 8th division, to melt up certain sugars. It has happened that Iloila, Cebu, and Manila sugars have not been laid out, mark by mark, so that we had to depend upon the look of the sugar to tell whether it was a high grade No. 1 or a low grade No. 3. The weighing of these sugars, mark by mark, has often been done when no marks have been indicated on the permit. Sometimes when I am on duty in the sugar-room I carry samples to the laboratory. I do not know of any of the sugar-sampling regulations that are not being enforced.

F. LEIMBACH, *U. S. Sampler.*

Sworn and subscribed to before me this 25th day of July, A. D. 1887.

T. AUBREY BYRNE,
Special Treasury Officer.

EXHIBIT 137.

ADAM G. MUNDY, sampler, examined under oath, states:

I was appointed Feb'y 17th, 1879. I have been a sampler ever since. Frank May was asst. appr. at that time.

I know nothing about irregularities in the sugar division. I don't know of any sampler or employé of the Government in the sugar division ever being paid, directly or indirectly, for manipulating sugar; nor have I heard of samplers receiving gratuities.

I have never known of samplers or examiners arranging sample packages so that the low-grade sample packages will be on the outside of the sample files.

On my oath I know of nothing which, to my mind, is an irregularity relating to the sampling of sugar.

I use a sponge, one very slightly damp. I have never used a wet sponge. The only person I had to speak to about it was the late Jno. Farren (sampler).

I have a key to the sample-boxes, but not one to the sample closets.

I found a fraudulent stencil-plate up at Harbeck's and gave it to Examiner McElwee last month. I did not cut any of the bags to get a piece of the bagging which showed the stencil mark on the bag. I did not make any comparisons. I paid no attention to the matter after finding it and giving it to Mr. McElwee.

I was under Mr. Dreyfous (who is now a sugar broker) when he was an examiner for about a month.

He is usually present on the wharves when his sugar is being treated.

I have seen his sampler, John Hetherington, on the docks.

I have known merchant samplers to have drawn their samples from sample packages before we got there.

I met Mr. McElwee last evening and he told me all about this investigation. He did not suggest or advise me to do anything, for I would not listen to him. He told me that if I had any knowledge I had better tell it to you, and for that reason I considered him under the influence of liquor; I got disgusted with him.

If the asst. appr., Mr. Tice, should ask me to do anything, and Examiner Bowne told me not to do it, I should obey my superior officer, Mr. Tice. If Examiner Bowne detailed me to a certain dist. and Asst. Appr. Tice detailed me to another, I should obey Mr. Tice.

I am always provided with plenty of lanterns and would not sample in the dark. I can sample hogheads that are tiered two high as well as on the ground.

I never knew of the report that was made by Sampler Gill, and which was investigated, as regards fraudulent transactions in sugar sampling.

I reside at 274 10th st., So. Brooklyn. I never heard of certain keys of the sample boxes being lost, nor of any key of any closet that was found; nor did I find any closet that had been broken into.

I have been present in the district office when the examiner has gone to the telephone and called up the sugar-room and inquired what a certain sample tested, and also ask if certain sugars could be melted up, and the answer has been returned that they could. I have heard such conversations.

No samples were ever brought round and shown to me by Examiner Bowne.

I never visited the office of sugar brokers on Saturday afternoons.

There is an order in the office prohibiting samplers from visiting the offices of sugar brokers.

I don't know where the office of James Burt, sugar broker, is; it is in Pine st., but its whereabouts I don't know.

I never visited the office of Jos. Dreyfous. I never had a conversation about this investigation with Messrs. Freeborne and Twamley, nor did I ever say that a man had everything to lose and nothing to gain by telling the truth in regard to frauds in sugar.

I do not know how low classifications in sugar are effected.

I do not know what would lower the classification of sugar.

It strikes me that I have heard of samplers going to a refinery to make a re-sample and finding that the re-sample packages had been melted up.

I have objected to sampling because the samples had not been laid out properly; that is because I could not see the U. S. mark on them. I don't know whether they were stencilled behind, as I did not consider it part of my duty to pull them down.

I do not understand that the late Sampler Seymour had learned of irregularities in sampling sugar, nor do I know why he was asked to resign.

I can not say that the wagons conveying the samples to the appraiser's store were always accompanied by a sworn officer, for I think there have been times when they were not. Jimmy Maloney's son, who is not a sworn officer, has sometimes driven a sample wagon.

I have called the attention of my examiner to packages that looked like damaged sugar, but have refused to sample them. I have never been in the sugar-room when requests from the Havemyer & Elder refinery have been sent up or by telephone inquiring as to certain tests of sugars.

I do not know that it is the custom for brokers to ask for re-tests.

It is supposed that Maloney & Kelly own their wagons.

I never heard that they were presents to them. The Government furnishes us with crocus and oil to keep our triers clean.

ADAM G. MUNDAY,
U. S. Sampler.

Sworn and subscribed to before me this 25th day of July, A. D. 1887.

T. AUBREY BYRNE,
Special Treasury Officer.

EXHIBIT 138.

NEW YORK, July 25, 1887.

THOMAS G. MACQUAIDE, sampler:

I was originally appointed sampler in 1875. My salary was \$1,000 a year, and increased to \$1,200, 1877. I was once called before Special Agent Chamberlin to state what I knew relative to how sugar was sampled, and as to what I knew about Samplers Knoblock, Nugent, and Watson. I told him I knew nothing of these men. I do not know of any irregularities in the sampling of sugar at the present time. Of this I am positive. I do use a moist sponge. If it was too wet it would spoil the sugar in the box, and from what I have been told, I think it would lower the test. I have been repeatedly warned not to use the sponge too wet, and have been shown sample cans of sugar which had too much water in them. I have found sugars of another mark mixed with the mark that I have been sampling. I have found sample packages of low-grade sugars in the piles of high-grade sugars.

We oftentimes find low-grade sugars mixed with high-grade sugars and *vice versa* (evidently by mistake). Sometimes we sample in dark places, which necessitates the use of a lantern to see the marks, and to see also whether "U. S. sample" is stencilled on the bags or mats. About a year ago, or a little over, I discovered irregularities in the laying out of packages for sampling at Congress st. stores, and called the attention of Mr. McElwee, who was then a sampler, to it, and he called Examiner Davis' attention to it. If it had not been discovered the Government might have lost some duty on the cargo. I found that the sample packages did not run as good as the main part of the cargo. I have had a key of the sample closets, under Mr. Bowne's orders, and was directed to go around and examine the closets and see if they were all in good order. I found them in good order. A long time ago, some years back, locks had been changed by the Government on the sample-closets. I do not know the reason why.

Sometimes the merchant samplers draw their samples from sample packages before the U. S. samplers draw theirs. I often see Jim Vale, Broker Burt's sampler, and John Hetherington, Broker Dreyfoos' sampler, sampling on the sugar districts. We often work alongside of each other. I have never received any inducement to draw samples favorable to an importer from any person.

Examiner McElwee has told me frequently that he believed that money was being paid by importers to influence sampling. I believe that ex-Sampler and Examiner Gill was an honest and faithful official, and any statement that he would make I would believe to be true. I never knew of any investigations being made by any special agents relative to inequalities in sugars.

I am of the opinion that Havemyer & Elder and the Brooklyn Refining Company also import the highest grades of sugars at this port.

THOS. G. MACQUAIDE.

Common sense teaches me to sign each sheet of this affidavit.

THOS. G. MACQUAIDE.

Sworn and subscribed to before me this 25th day of July, A. D. 1887.

T. AUBREY BYRNE,
Special Treasury Officer.

EXHIBIT 139.

N. Y., July 28, 1887.

LUKE F. McDERMOTT, sampler, states as follows:

I was appointed sampler about April, 1886. My attention has been called to certain samples which Examiner Bowne said water had been used in the sampling, and remarked that if it occurred again he would call the attention of the appraiser to it. I do not know on what district the water was used in the samples referred to by Mr. Bowne.

I have been sent lots and lots of times to draw samples, when I have found the original samples melted up.

I consider Examiner McElwee one of the ablest, if not the ablest, examiner of sugars in the 8th division—a man of excellent character and general integrity. Every suggestion that he has made looking to reform in the methods of sampling and examining sugars has been frowned down by the majority of his associate officers. I think if the Secretary desired an honest opinion as to matters connected with the 8th division, that Examiner McElwee would give it if called upon.

When I was a messenger and acting clerk in the 8th division Sugar Broker Burt used to come in, practically, every day. A soon as he came he would always send one of the

officials in the office into the sugar-room for Examiner Remsen; the clerks hardly ever waited to be sent, but would go right inside and say, "The colonel is here."

It was Broker Burt's invariable custom to look over the invoice blotter and select out such invoices as he wished sent down to the invoice bureau, and those that he did not wish sent down, although the sugar noted in the invoice had been tested, he would put back in the blotter, and would tell Mr. Remsen "to hold them."

Upon nearly every occasion that Broker Burt visited the sugar-room while Mr. Hay was asst. appraiser, and while I was employed there as clerk, Mr. Hay would go out into the main hallway with Broker Burt and hold private conversations with him of ten or fifteen minutes' duration.

LUKE F. McDERMOTT.

Sworn to and subscribed before me this 28 day of July, A. D. 1887.

T. AUBREY BYRNE,
Special Treas'y Officer.

EXHIBIT CC.

OFFICE OF SPECIAL AGENT TREASURY DEPARTMENT,
402 Washington street, New York, June 28, 1887.

HENRY WILLIAM KERR, a stenographer, residing at 226 Atlantic avenue, Brooklyn, and employed by Mr. T. Aubrey Byrne to take notes pending an investigation of sugar matters at the port of New York, upon oath, solemnly swears that he will in no manner and to no person divulge or speak of anything that transpires during any of the conferences at which he may be present or a part, other than to Special Agent H. A. Moore or T. Aubrey Byrne, under any circumstances whatsoever; and also swears that if he is approached in any manner by any person on the subject he will immediately make known such fact to T. Aubrey Byrne or Special Agent Moore.

HENRY WM. KERR.

Sworn and subscribed to before me, this 28th day of June, A. D. 1887.

H. A. MOORE,
Special Agent.

Asst. Appr. MOORE, first div. (damage), states as follows:

That the statements of damage allowances, when made, are posted at the custom-house. The damage warrant is approved by me after the damage examiner has ascertained the per cent. of damage which is to be allowed upon certain marks of sugar.

The samplers of the 8th div. draw the damaged sugar samples for the damage examiner. The sugar is then brought to the U. S. laboratory, at the appraiser's store, there submitted to polariscope tests, and the per cent. of damage is ascertained. I will submit to you, if I can find one, a printed statement which covers the notation of the polariscope tests of the damage samples with the damage examiner's certificate. If there be such printed slip on which the per cent. of damage allowances is noted, I suppose it is attached to the damage warrants. I have never seen one, but probably it is done.

The ascertainment of the per cent. of damage by polariscope is, according to regulation, done at the laboratory, at the appraiser's store. I never heard of its being done elsewhere, not being in accordance with regulations, of course. Sometimes two examiners sign the damage warrant. If the examiner is a man of experience he alone signs the certificate, but it is always approved by me.

It has never been brought to my attention that excessive damage has been allowed on sugar.

I have heard of no claims being made for "commercial damage" other than to the goods, viz, to the coverings, not to the contents.

I know Mr. Kippen, damage broker. I think that he makes a specialty of damage broking.

I know Wm. Jones; he likewise makes a specialty of damage broking.

I think both of those men attend exclusively to damage goods of any kind.

This is a true transcription of my stenographic notes.

H. W. KERR,
Stenographer.

A true statement as made in my presence.

H. A. MOORE,
Special Agent.

Assistant Appraiser Moore, of the damage division, declines to sign this statement, as the questions are not incorporated and that this is a garbled and unintelligible statement. The above is a true and stenographic transcript of the statement made by Assistant Appraiser Moore.

T. AUBREY BYRNE.

Assistant Appraiser Moore entered the examination room, interrupting the proceedings, when Examiner W. D. Davis was under examination, and stated that he would not sign the statement, as it was in a garbled and unintelligible condition; that the questions were not incorporated, and although informed that it was at the special request of the Secretary that the questions should not be incorporated in the statements of the gentlemen called, he still refused to sign and laid the statement down upon the desk.

His manner was discourteous, and evidenced to me a very disturbed condition of mind.

T. AUBREY BYRNE,
Special Treasury Officer.

EXHIBIT 140.

OFFICE OF SPECIAL AGENT TREASURY DEPARTMENT,
402 Washington st., July 15, 1887.

Mr. T. A. BYRNE:

SIR: In reply to an inquiry made to Mr. Johnson this morning regarding a certain sample of sugar, mark not verbally specified, he said in substance that it had gone to the laboratory yesterday afternoon and had not yet returned. An examination of his test-book, made directly after above statement (11.30), showed that every sample sent to the laboratory on the 14th of July was reported on by the chemist on the same day. An examination of same book and at same time showed that many samples had been sent to the laboratory and reported on already (11.30 a. m.).

One cargo, as imported by Skeddy, Minford & Co., on the *Thackara*, had eight different marks, all tested and reported, yet there was one mark K, the sample of which had not been received (mark K not included among the eight). Inquiry being made for said mark to Mr. Bowne through telephone. Havemeyer & Elder had a cargo of sugar taken from the *Santiago*, sent to the laboratory on July 11th, '85, samples 3236, 3237, 3238, 3239, day of month not given as to report being made. A re-test of the same sugar was made on the 13th of July, which lowered the classification of two of the marks, at least four cents per cwt.

Respectfully,

ROBERT MACGREGOR ORMISTON,
Statistician on Sugar.

Sworn and subscribed before me this 15th day July, 1887.

T. AUBREY BYRNE,
Spl. Treasury Officer.

R. M. ORMISTON states as follows:

I have just returned from the sugar-room and Examiner Remsen informs me that when brokers ask for re-tests of certain sugars, and when the re-test is not lower than the original test for classification, the original test for classification is taken as the test for duty.

ROBERT MACGREGOR ORMISTON.

Sworn and subscribed to before me this 27 day of July, A. D. 1887.

T. AUBREY BYRNE,
Special Treasury Officer.

EXHIBIT 141.

JAMES O'DONNELL, sampler 8th division, examined on oath, says:

I was originally appointed a sampler in Aug., 1885.

I have no knowledge, direct or indirect, of any fraudulent or irregular practices in the method of sampling, testing, or appraising sugars at this port.

I have never heard, nor do I know, of any person who received a present or compensation from any sugar importer, or the representative of any sugar importer or broker,

or an employé of any sugar importer or broker, of compensation in money, or a promise of money, for drawing samples so as to secure low classification.

John Hethington is Broker Dreyfoos' sampler, and I believe they call Mr. Burt's man Jimmy Vail.

John Hetherington never offered me money, nor have I received money from any person for drawing samples in any shape or form or promise. No person has ever tried to influence me in my work.

I use a moist sponge; it is necessary that there should be a certain amount of moisture. I have sometimes found pretty low grade sugars mixed with high grade. There is a difference in sugar that may belong to the same mark, and yet vary in grades.

I carry a key of the sample boxes, but not of the sample closets.

It strikes me that I heard Mr. McElwee say something of a sample-closet key that was found.

I have occasionally heard requests made by telephone from the sugar districts to the sugar-room, but we do not pay much attention to the telephone.

I state positively that I have no knowledge, direct or indirect, of any fraudulent or irregular methods in the manner of sampling sugars.

JAMES O'DONNELL,

U. S. Sampler.

Sworn to and subscribed before me this 26th day of July, 1887.

T. AUBREY BYRNE,

Special Treasury Officer.

EXHIBIT 142.

NEW YORK, *July 25, 1887.*

PATRICK T. RAHL, messenger and acting sampler:

I was appointed in 1885. I know of no irregularities in the sampling of sugars. I use a moist sponge. Merchant samplers do not draw their samples from sample packages before the U. S. sampler draws his. I sometimes, in refineries and warehouses, have to use lanterns to distinguish marks and see whether the packages have been stenciled. I have sometimes found in piles of samples, representing a certain mark, low grade and high grade sugars, mixed, but we draw the attention of the examiner to the fact.

I know John Hetherington, merchant sampler, and Jim Vale, a merchant sampler. These men always wait until we are through before they draw their samples; that is, when they are there. I know Broker Dreyfoos by sight. I have heard him ask an examiner to telephone Mr. Remsen and inquire whether a test of certain sugars had been made, and permission has been granted to melt up certain sugars.

I have been sent to draw samples from re-sample packages at the refineries and found that they had been melted up. I always find Iloilo, Cebu, and Manila sugars laid out mark by mark.

The regulation requiring the use of red plugs is not enforced.

Havemeyer & Elder receive the highest grade sugars coming to this port.

PATRICK T. RAHL.

Sworn to and subscribed before me this 25 day of July, A. D. 1887.

T. AUBREY BYRNE,

Special Treasury Officer.

EXHIBIT 143.

• NEW YORK, *July 19, 1887.*

JAMES SMILEY, messenger, laboratory, states as follows:

I was first appointed in January, 1885. My duties have been those of mixing the sugar samples sent from the sugar-room to the sugar laboratory. I break the lumps with a mortar and pestle, and pulverize the sugar, then return it to the cans for the weighers. The serial number of the sample is pasted on the side of the can. I never disturb the number, and never act upon but one can at a time. Oftentimes I find large lumps in the sample cans. These may be as a general thing hard and dry, still some may be moist. I often find particles of impurities in the samples, like bits of coal, wood, gravel, gunnycloth, and ravellings. These I eliminate from the sample with great care, so that when I have finished preparing the sample for the weigher the sugar

is in as perfect condition as I can make it; and my eyesight is good, so that I feel free to state that the sample is properly prepared for the weigher.

From my experience I can tell from a glance centrifugal, Pernambuco, and other grades of sugars. Sometimes I receive from the sugar-room sugar samples that sometimes are pretty moist. I have never called the attention of Dr. Sherer to this fact, but I think I have mentioned it to other polariscopists in the laboratory. I have mentioned it to Messenger Cole, my associate sugar-mixer, "that this sugar is moist," and he has mentioned the same fact to me on certain samples. These sugars were not damaged sugars. While I had no knowledge that these samples had been tampered with, yet I know from my experience in the sugar-mixing that these samples would test very low on account of this moisture.

I have known a certain sample to be sent back from the sugar room of the 8th division four times for re-test, and I know that it was the same sample each time, and I have heard the remark made at these times, when re-tests and late work was asked for, that "these samples must be some of so-and-so's sugars;" Burt's and other importers' sugars. Dr. Sherer has general supervision of my work of mixing sugars and gives me general directions as how to mix the sugar. I have heard it stated that Mr. Dale loaned money to employés. Mr. Dale sometimes visits the laboratory several times a day. I have heard of the firm of Sherer Bros., sugar-testers, down-town, but I never visited their place. Occasionally I am sent to the sugar-room of the 8th division by Dr. Sherer, or Mr. Flowers, his clerk. Mr. Philo Cole, messenger, is my only assistant in mixing sugars.

JAMES SMILEY.

Sworn and subscribed before me this 19th July, 1887.

T. AUBREY BYRNE,
Spl. Treasury Officer.

EXHIBIT 144.

N. Y., July 25, 1887.

PETER TWAMLEY, sampler, 8th division, states as follows:

In 1887 I was appointed opener and packer, and assigned to the damage division. In April, 1879, I went into the sugar division as sampler.

The only irregularity I know of at this port in the importation of sugar is that sometimes sample packages are not properly laid out mark by mark as required by the regulations. I have frequently called the attention of the examiner to this fact. I have found very often bags not stencilled "U. S. sample" laid out for us by the store-keeper after the weighers are through. I have refused to sample these packages.

I have often seen samples laid out which did not represent the proper proportion of the mark of the cargo. Then when we would make complaint the storehousemen would quickly produce bags which they claimed were the sample packages.

We oftentimes find packages of sugar in the sample piles which are *not* stencilled "U. S. sample." I have several times before sampling, upon my suspicions being aroused, looked for fraudulent stencil plates. I have found low-grade sugars mixed with high-grade sugars of the same mark; I mean by this, they are laid out to *represent* this mark. When I see an unusual number of them I call the examiners' attention to it. This I have done several times. Sometimes I find that merchant samplers have drawn their samples from the U. S. sample packages before we reach them. I use a moist sponge. I have repeatedly been warned not to use my sponge too wet. I do not know what effect water would have on testing the sugar.

I never was found in a storehouse sampling sugar with a sopping-wet sponge.

Mr. Examiner Bowne, one day, showed me two or three samples in which water had been immoderately used, and remarked that they might have been damaged bags. I have keys to the sample boxes. Sometimes the examiner gives me the key to the sample closets, but not outside of business hours. I did lose a key of a sample closet, as I threw it to an examiner at his request. It fell overboard. I knew at one time that all the sample closets were examined and made more secure. I have often been ordered to accompany the wagon containing the samples from the dock to the appraiser's store, when the owner of the wagon, who is a sworn officer, is not there to accompany it.

I signed for my wife an agreement for the purchase of a house from Jas. Dale, price \$7,000, situated on Walton ave., \$3,000 cash paid, balance on mortgage. I have heard of Jas. Dale loaning money to employés.

According to my judgment Havemeyer & Elder import and buy the largest quantities of the highest grade sugars that come to this port. I make this statement from my knowledge as a sampler of the different grades of sugars. I have sometimes been sent to make re-sample of the sample bags, and found them melted up. This always occurs on

the refinery districts. Sometimes in the refineries, I have been called upon to sample packages in the dark, necessitating the use of a lantern to find the sample packages and marks.

I only know two sugar brokers at this port. They are Burt and Dreyfoos. Also know their samplers, Jas. Vail and John Hetherington. Broker Dreyfoos or his man Hetherington is generally present when sugars represented by them are being examined.

Sometimes I am ordered by Examiner Remsen to visit an importer's office to find out the marks or location of a cargo.

I have been told that years ago there was a sugar ring, and that samplers made money out of it, but to the best of my knowledge the ring does not exist at this time.

PETER TWAMLEY.

Sworn to and subscribed before me this 25 day of July, A. D. 1887.

T. AUBREY BYRNE,
Special Treas'y Officer.

EXHIBIT 145.

Objecting to take oath to secrecy.

R. E. BOWNE.—Examiner R. E. Bowne said: "I object. I do not refuse to be sworn as far as anything connected with the sampling, testing, or appraising of imported sugars; but so far as muzzling myself, I do most emphatically. I am prepared to go on with anything connected with the business of the Department, but I refuse to preserve secrecy. I don't think anybody but a grand jury can —"

JAS. S. DALE.—Messenger Jas. Dale said: "No, sir; I shall not take any such oath."

EDW. SHERER.—Chief Chemist Edward Sherer said: "I draw the line there" (as to secrecy). I am ready to testify; but as to secrecy, I must decline. I refuse to be sworn to secrecy."

W. D. CRUMBIE.—Examiner W. D. Crumbie said: "If you are not a notary I refuse to be sworn; I object also unless questions and answers are to be included. I want to see your authority."

A. G. REMSEN.—Examiner A. G. Remsen said: "It is tacitly understood and arranged that objections were to be made to the manner of procedure in this investigation."

The above are statements made to me, by the above witnesses, when they appeared before me to be examined.

T. AUBREY BYRNE,
Spl. Treas'y Officer.

N. Y., June 28, 1887.

EXHIBIT 146.

JUNE 10TH, 1887.

EDWARD S. FOWLER, late ass't appr. damage division, at present attorney at law, No. 55 Liberty St., New York, states:

I was ass't appr. in charge of the damage div. for some years, and was suspended April 31st, 1885, on the recommendation of Appr. McMullen.

The "sugar ring" is a most powerful organization, and its personnel embraces James Burt, chief, representing Havemyer & Elder, Swift & Co., Butler McDonald & Co., and one or two other firms; Special Ag'ts Tingle, Tichenor, Hinds, Supervising Special Ag't Martin, Naval Officer Burt, Deputy Naval Officer Comstock, and Spec'l Ag't Ayer, now on duty on the Pacific coast, on the one hand, and Jas. Dreyfoos, representing some eighteen or twenty sugar-importing firms, Clerk Rose, and a few other minor officers, as aides, on the other side. In my opinion, this is the personnel of the "sugar ring."

For a long time Burt and Dreyfoos were at war, but on account of the latter knowing too much he was let alone to work his way, which he has done. Burt pulls his men—employés of the Government—by his political and personal prestige, backed by that of his brother supported by the special agents.

There is not a man in the sugar div. but who either owes his present position, his advancement in office, his increase in salary, and his retention in office directly to the influence of James Burt, and not one of these men would dare for an instant to do anything contrary to his desires.

Appr. McMullen owes his advancement from examiner of hardware and cutlery to the appraisership directly to the pleading made in his behalf by Naval Officer Burt, backed and co-operated in by Abraham S. Hewitt, of Cooper, Hewitt & Co., hardware dealers.

I understand it was represented to the President that Mr. McMullen was from his long years of training as examiner eminently fitted for the position of appr., and because he was known to be a Democrat, serving under Republican administration, was held back when he deserved advancement, and that inasmuch as the administration had changed it was nothing more than right, and according to the spirit of civil-service reform, that he should be advanced to the appraisership.

I understand that he acknowledges his present position to Burt's influence; therefore he is quite willing to do Burt's bidding without question; of course, he believes that James Burt is a very high-toned gentleman.

Of the men Burt uses to obtain low classifications of his sugars are Abraham Remsen, who owes all he is from his first position to his present position to James Burt; for in 1867 when James Burt was in charge of the 7th avenue armory, in charge of quartermaster's supplies, he made Abe Remsen asst. storekeeper; then he had him put in the U. S. service in 1869 as a sampler, when he, Burt, went in as asst. appr'r, then he advanced him. And Burt, through his influence with Asst. App'r Hay, has kept Remsen in his position ever since.

It was a notorious fact that Asst. App'r Hay was Burt's tool.

Second. Robt. E. Bowne was put in the sugar div. March 4th, 1870, as an opener and packer, and was advanced to supt. of samplers through Burt's influence; he practically does Burt's bidding.

Third. W. H. Townsend was for a time in my division (damage), but Burt had him advanced to examiner in the 8th div. (May, '83).

Fourth. During all the time that Hay was asst. appr. he was Burt's tool absolutely, he was originally put into his position by him and kept there. At one time he was at the custom-house under Naval Officer Burt, then transferred to the appr.'s store at Jim Burt's request.

Fifth. When Mr. McMullen was made appr. Burt had his brother-in-law, S. C. Guyon, made examiner of hardware in his (McMullen's) place.

Sixth. Appr. McMullen's private secretary is a relative of James Burt, and, of course, does Burt's bidding, as Burt is his patron, and Appr. McMullen firmly believes in Burt.

Seventh. James Dale who mixes sugar in the sugar-room before it goes to the laboratory is another tool of Burt's, and perhaps he is responsible for more crookedness in the work of testing sugar than any other man, for through his manipulations the samples can be so mixed as to cause a test to go up or down, and being assisted by knowing whose sugars certain serial numbers represent, he can give the right hint to the chemist in the sugar laboratory, so that tests can be made favorable to importers.

James Dale is quite a wealthy man; he has most of the sugar samples (the residue of the sugar samples) to sell for himself, and out of these he makes a snug sum yearly; besides this he is quite a money-lender, loaning money to the employés at the appr's store at usurious rates of interest. He does not allow it to appear as though he made the loans, but invariably says he can get the money for the borrower, who must pay for the trouble he is put to in getting the loan for him.

App'r McMullen must be knowing to this, for he generally sees to it that Dale's dues are paid by not letting the men who borrow get their money before they square accounts with Dale. Dale has been making for years as much as \$5,000.00 annually; he has been buying real estate in the annex district, but most of it is in his wife's name. I recently ran across several of his real estate purchases when I was looking up some deeds in that section for clients of mine.

Eighth. Edward Sherer, chief chemist in the U. S. laboratory, is clay in Mr. Burt's hands and does his bidding; the same could be said of nearly everyone else in the laboratory; all are in Mr. Burt's hands and dare not cross him for they know too well his power.

Ninth. The teamsters who drive the sample wagons are in Burt's debt for retention in office, and they are always ready to do him favors.

Tenth. John Sherer, damage examiner, I think is an honest man.

Eleventh. A member of a sugar-importing house not long ago told me he was compelled to pay Burt to fix his classifications or he would not be able to do business and keep even with other importers.

Twelfth. The samplers have a way of squirting water into a sample whereby the classification is lowered.

Thirteenth. Broker Dreyfoos pulls his men at the appraiser's store by paying them, while Burt uses his political influence over them.

I will guaranty that if five new samplers were to be selected every one would owe

their selection to James Burt, who would tell Appr. McMullen just which he should select.

Theo. Havemeyer, of the firm of Havemeyer & Elder, paid \$40,000 into the Republican campaign fund during the Blaine-Cleveland campaign.

James Burt was outwardly a strong Blaine man, while his brother, the naval officer, was working for Mr. Cleveland, so that in any event the "sugar ring" was secure whichever party came into power. You can read, if you please, this piece of paper. "I will not read it to you."

The slip of paper handed me (T. A. Byrne) read as follows: F. Maher, asst. bk'keeper for Havemyer & Elder, residing at No. 143 Woodbine st., bet. Centre and Evergreen aves., Brooklyn, states to J. P.— "that Naval Officer Burt receives \$12,000 per year from Havemyer & Elder."

You can look this matter up if you like, but it would take clever work, I can assure you of that. I don't say that this is true; I show it to you for what it may be worth.

Your movements are known, and have been ever since you were at work, and "the ring" don't fear you or the results of your work.

With a fearless, honest lawyer in Appraiser McMullen's place, the ring and existing combinations in various trades would be broken up; take, for instance, silks, gloves, drugs, aniline dyes, linens, and hardware.

I have evidence and affidavits of rascality of the "sugar ring," but I will not show the affidavits to you, for I am satisfied that nothing that you can do can break up the "ring" so long as Appr. McMullen remains in office. If he was suspended I would come forward with my evidence; till then I am dumb.

The sugar-damage brokers are Jones and Kippin, and through them large damaged allowances are secured. The allowance of 5 per cent. commercial damage is a fraud. Steam cargoes of sugar have no damage as a general thing.

Burt don't claim damage on his cargoes. He is too smart for that. He and Broker Dreyfoos are on good terms now.

I understand New York has swallowed the sugar-trade, and I understand Boston merchants are making serious objection; about time they did.

See me again, and I will put you in accord with certain men who will tell you of facts.

The above is a faithful transcription of my notes made of his conversation and statements.

T. AUBREY BYRNE,
Special Treasury Officer.

EXHIBIT 149.

APRIL 5TH, 1887.

JOHN A. LYDECKER, broker, Beaver st., N. Y. City, states as follows:

I was for three years special deputy collector at this port. I have had considerable business with Naval Officer Burt.

I have always believed in the integrity of the naval officer, and never placed any credence upon current rumors against him; but a certain transaction occurred which very materially altered my opinion. I will frankly state that my statement must be taken with this allowance, that I have a prejudice against Naval Officer Burt at the present time. Our differences arose subsequent to an occurrence which I will narrate.

Shortly after James Burt, his brother, the then asst. appr. of the sugar div. at the appr's store, resigned, James Burt came to my office at the custom-house and asked me, as special deputy collector, to allow the reliquidation of an entry of a certain large cargo of sugar which, through misapprehension, he had classified wrongly as one of the last of his official acts. The classification, he said, had been made at too high a rate. I think the importing firm in question was Fabric and Chauncey. James Burt said to me that the classification was too high by considerable, and that if I did not object he would have a re-liquidation made, intimating that the naval office was agreeable to the re-liquidation. I supposed the ten days allowed by regulation had not elapsed from the date of the liquidation, and gave an answer equivalent to assent. I ordered up the entry and invoice and looked over them, finding to my surprise that more than thirty days had elapsed from the date of the liquidation, consequently I did not send the papers back to the appr.

A day or two after James Burt again called and wanted to know why the papers had not been sent to the appr. I told him of the date and the time that had elapsed, and told him to communicate his desires to the Secy. of the Treasury, who would, if the statement of facts warranted, order a re-liquidation. He demurred and urged me to allow the re-liquidation. I refused, and he left quite incensed. The next day Col. Silas Burt, the naval officer, came to me and said, "You did not oblige James in the

matter of re-liquidating that cargo of sugar." I said, "No," explaining my reasons. He, the naval officer, then took it upon himself to argue the point, showing me and stating to me that his office was quite willing that the re-liquidation should be made, as that evidently a great mistake had occurred in the classification, which would entail quite a loss to the importer as well as an injustice, and that James had made a great error and he wanted to have it set right. I told him the only way was to send the matter to the Secy. of the Treasury. He was quite put out, and for a long time showed it in his manner to me.

A short time after this occurrence above narrated, James Burt met me and said, "You have knocked me out of quite a little money by not allowing that entry to be re-liquidated." These were his words in substance.

I do think the naval officer supports his brother James in all his work as sugar broker at the appraiser's store, for shortly after Broker Burt resigned his position as asst. appr. he obtained the brokerage of a large number of sugar-importing houses of this city, though I can not cite you any particular cases to prove my statement.

That there is truth in the current charge of manipulation at the appraiser's store in the passing of sugars at New York, and that James Burt controls the work with one other man named Joe Dreyfous, is borne out by the fact that Burt controls the importation and classification of the majority of the sugars imported and entered at this port, I might almost say in this country. That the bulk of sugars should come to New York and pay duty here tends to prove that lower or more favorable classification can be obtained at this port than at any other ports.

Again as Burt & Dreyfous are both ex-U. S. appraising officers and they control this work, the conclusion is a natural one and a very good reason exists why they, the sugar men, should have these men, Burt & Dreyfous, attend to their appraisements.

You ask me how could the naval officer assist in the underclassification of sugar. Well, it would be only necessary for one or two liquidating clerks of the naval office to suggest to the liquidating clerks at the custom-house to permit changes in liquidation to be made, for the importer is notified of the results which are obtained before the final liquidation is made on the entry; thus giving them opportunity to make objection through their broker, and by them to the naval officer.

Suggestions from James Burt to his brother would without doubt be considered by the latter.

The naval office is supposed to be a check upon the collector's office. I can not point out a case which could be accepted as evidence of direct connection between James and Silas Burt, the naval officer, which would prove the manipulation of sugar, but the fact exists in my mind, and I might truthfully say in the minds of those who are engaged in that trade in this city, that James Burt is valuable to the importers and refiners must be a fact, when his services are so necessary to them, and these services are mainly directed to the appraiser's store, for James Burt is never seen on the wharves or at the refineries when sugar is being unladen; his work is done at the appraiser's store. That sugar is satisfactorily handled by these men is noted from the few protests and appeals made. The whole scheme is viewed with apparent satisfaction by the outside sugar trade (I mean the trade in Boston and Phila.) who, noticing the great advantage New York sugarmen possess, have ordered their sugars to be landed and pay duty at New York.

I say that, taking all these things into consideration, in the absence of direct evidence of overt acts on the part of James Burt and Joe Dreyfous and the silent and *sub rosa* co-operation of the naval officer, are sufficient to the minds of fair men to show that the charges currently made are true.

Another thing which is noteworthy is the laxity on the part of customs officers in handling sugar samples. These samples go out of the care of Government officers; they are laid up in closets within easy reach of the refining people. Why should sugar go to the refineries wharves? Weak human nature at two or three dollars a day succumbs and eyes are closed to manipulations, especially when a little thing amounts to so much in saving money to sugar importers. Let the sugar go to the Government stores as other goods, thus the Government weigher and higher officers would scrutinize everything and chances for fraud would be lessened by the presence of these men. A larger force of inspectors should be on the spot and not leave the vessels when the unloading of sugars is taking place or the sampling of sugars. Dreyfous and Burt are now on good terms; at one time they had a quarrel and did not speak to each other. I believe this quarrel has been forgotten.

I believe App'r McMullen is an honest man, but he allows Broker Burt to hoodwink him completely. The position of Burt's brother and the power the naval officer wields is his lever. There is not an officer at the port but who wants to stand high with Naval Officer Burt, and by doing favors for James Burt they are assured of their standing with the naval officer."

Mr. Lydecker was unable to give me the date of the occurrence referred to when the

firm of Fabric & Chauncey imported the sugar in question, but by taking the date of the resignation of James Burt as ass't app'r of the 8th div. I was able, by a long and careful search of the records of 1874, to find the importation in question; the facts relating thereto are hereunto annexed. In this search I was greatly aided by Chief Clerk Prince, statistical div. N. Y. custom-house.

The above is a correct transcription of my notes.

T. AUBREY BYRNE,
Special Treasury Officer.

EXHIBIT 175.

[N. Y. Cat. No. 1118 $\frac{1}{2}$.—Certificate of polariscopic test of sugar.]

Sugar return, showing polariscopic test, under Department Circular No. 62, May 22, 1883.

U. S. LABORATORY, APPRAISER'S OFFICE,
New York, June 24, 1885.

Laboratory No.	1st test.	2d test.	3d test.	Test for classification.	Laboratory No.	1st test.	2d test.	3d test.	Test for classification.
A	82	82.3	.....	82					
B	82	82	.....	82					
C	81.8	82	.....	81.8					
D	82.3	82	.....	82					
E	82	82	.....	82					

H. J. ABBOTT.
W. H. TOWNSEND.

Approved:
EDWARD SHERER,
Chemist in Charge.

[N. Y. Cat. No. 1118 $\frac{1}{2}$.—Certificate of polariscopic test of sugar.]

Sugar return, showing polariscope test, under Department Circular No. 62, May 22, 1883.

U. S. LABORATORY, APPRAISER'S OFFICE,
New York, June 22, 1885.

Laboratory No.	1st test.	2nd test.	3d test.	Test for classification.	Laboratory No.	1st test.	2d test.	3d test.	Test for classification.
P	96.9	96.9	.....	96.9					
W	96.8	96.5	.....	96.5					
H	96.8	96.6	.....	96.6					
Y	96.9	96.6	.....	96.6					
Z	96.9	96.8	.....	96.8					
2949	87.3	87.0	.....	87.0					
2950	88.0	88.3	.....	88.0					
2951	84.0	84.8	.....	83.8					

ROBERT RIGNEY.
G. LANDSMARK.

Approved:
EDWARD SHERER,
Chemist in Charge.

[N. Y. Cat. 1118].—Certificate of polariscopic test of sugar.]

*Sugar return, showing polariscopic test, under Department Circular No. 62, May 22, 1883.*U. S. LABORATORY, APPRAISER'S OFFICE.
New York, June 16th, 1885.

Laboratory No.	1st test.	2d test.	3d test.	Test for classification.	Laboratory No.	1st test.	2d test.	3d test.	Test for classification.
2597	89.5	89.8	89.5	X.	85.8	85.7	85.7
2598	86	85.9	.....	85.9				
2599	91	91.2	.....	91				
2600	87.4	87.7	.....	87.4				
2601	86.8	87	.....	86.8				
2602	85.6	85.8	.....	85.6				
2603	86.3	90	86.5	86.3					
2604	87.7	88.8	87.7					

H. J. ABBOTT.
WM. H. TOWNSEND.Approved:
EDWARD SHERER,
Chemist in Charge.

[N. Y. Cat. No. 1118].—Certificate of polariscopic test of sugar.]

*Sugar return, showing polariscopic test, under Department circular No. 62, May 22, 1883.*U. S. LABORATORY, APPRAISER'S OFFICE,
New York, June 24, 1885.

Laboratory No.	1st test.	2d test.	3d test.	Test for classification.	Laboratory No.	1st test.	2d test.	3d test.	Test for classification.
O.....	84.6	84.7	.....	84.6					

EDWARD SHERER,
H. J. ABBOTT.Approved:
Chemist in Charge.

[N. Y. Cat. No. 1118].—Certificate of polariscopic test of sugar.]

*Sugar return, showing polariscopic test, under Department Circular No. 62, May 22, 1883.*U. S. LABORATORY, APPRAISER'S OFFICE,
New York, June 19, 1885.

Laboratory No.	1st test.	2d test.	3d test.	Test for classification.	Laboratory No.	1st test.	2d test.	3d test.	Test for classification.
2833	86.5	86.6	.....	86.5					
2834	52.6	.....	.....	52.6					
2835	45.4	.....	.....	45.4					
A	82	82	.....	82					
O	85	85.2	.....	85					

ROBERT RIGNEY.
G. LANDSMANN.Approved:
EDWARD SHERER,
Chemist in Charge.

[N. Y. Cat. No. 1118].—Certificate of polariscopic test of sugar.]

*Sugar return, showing polariscope test, under Department Circular No. 62, May 22, 1883.*U. S. LABORATORY, APPRAISER'S OFFICE,
New York, June 17, 1885.

Laboratory No.	1st test.	2d test.	3d test.	Test for classification.	Laboratory No.	1st test.	2d test.	3d test.	Test for classification.
M. W. 13	75.7	76	.....	75.70	2684	88.4	88.7	.....	88.40
2675	88.6	88.9	.....	88.60	2685	87	86.7	.....	86.70
2676	87.3	87	.....	87	2689	82.8	83	.....	82.80
2677	86.8	86.7	.....	86.70	2690	96	96	.....	96
2678	89.6	89.5	.....	89.50	2691	84	84.3	.....	84
2679	89.6	89.7	.....	89.60	2696	95.7	96	.....	95.70
2680	88.7	88.5	.....	88.50	2697	87.9	87.8	.....	87.80
2681	88.9	89.2	.....	89.20	2698	83.5	83.7	.....	83.50
2682	88.9	89.6	.....	89.60	2699	85	85.2	.....	85
2683	89.4	89.6	.....	89.40					

G. LANDSMANN.
S. F. BALL.Approved:
EDWARD SHERER,
Chemist in Charge.

[N. Y. Cat. No. 1118].—Re-test certificate of polariscopic test of sugar.]

*Sugar return, showing polariscope test, under Department Circular No. 62, May 22, 1883.*U. S. LABORATORY, APPRAISER'S OFFICE,
New York, June 17th, 1885.

Laboratory No.	1st test.	2d test.	3d test.	Test for classification.	Laboratory No.	1st test.	2d test.	3d test.	Test for classification.
2513	88.80					
2514	90.00					
2515	90.00					

G. LANDSMANN.
S. F. BALL.Approved:
EDWARD SHERER,
Chemist in Charge.

[N. Y. Cat. No. 1118].—Certificate of polariscopic test of sugar.]

*Sugar return, showing polariscope test, under Department Circular No. 62, May 22, 1883.*U. S. LABORATORY, APPRAISER'S OFFICE,
New York, June 1, 1887.

Laboratory No.	1st test.	2d test.	3d test.	Test for classification.	Laboratory No.	1st test.	2d test.	3d test.	Test for classification.
Verified.									
465	96.2	L.....	.....	96.2					
464	96.5	A.....	.....	96.5					
469	95	R.....	.....	95					
471	82.4	.....	.....	82.4					
470	96.6	.....	.....	96.6					

H. J. ABBOTT.
ROBERT RIGNEY.
G. LANDSMANN.Approved:
EDWARD SHERER,
Chemist in Charge

[N. Y. Cat. No. 1118].—Certificate of polariscopic test of sugar.]

*Sugar return, showing polariscope test, under Department Circular No. 62, May 22, 1883.*U. S. LABORATORY, APPRAISER'S OFFICE,
New York, June 25, 1885.

Laboratory No.	1st test.	2d test.	3d test.	Test for classification.	Laboratory No.	1st test.	2d test.	3d test.	Test for classification.
B.	84	83.7	.....	83.7					
3060	85.3	85	.....	85					
3061	85.8	86	.....	85.8					
3062	89.3	89.5	.....	89.3					

H. J. ABBOTT.
WM. H. TOWNSEND.Approved:
EDWARD SHERER,
Chemist in Charge.

EXHIBIT 178.

PORT OF NEW YORK, APPRAISER'S OFFICE,
402 Washington st., New York, July 21st, 1887.Mr. LEWIS McMULLEN,
Appraiser of the Port, New York:

SIR: I have respectfully to ask under what authority of law or Department regulation sugar importers or their brokers are entitled to demand re-tests of their sugars after the original test for classification has been made in the absence of any evidence furnished by them showing that such classification was erroneous, and why said requests are complied with?

I find that no written requests for re-tests and re-samples of sugars from sugar brokers are on file in the 8th division of the appraiser's store prior to March 1, 1885. Will you please inform me if written requests from sugar importers and their brokers were required or made previous to that date, and if so, why they are not on file, and if destroyed, by whose authority? Please furnish copy of official order permitting or directing their destruction.

I have also to respectfully request that you will inform me by what authority of law, when in the classification of sugars at this port written or verbal requests are made by sugar brokers for re-tests and re-samples, and particularly in cases where as many as three and four tests of the same sample of sugar have been made and where the original or first test for classification was the lowest, said lowest test is invariably accepted by you as the test for classification without regard to the results ascertained by subsequent tests made in conformity with said written or verbal requests of the sugar brokers, and which would advance the classification for duty, if considered?

Very respectfully,

T. AUBREY BYRNE,
Special Treasury Officer.

EXHIBIT 178 A.

PORT OF NEW YORK, APPRAISER'S OFFICE,
402 Washington st., July 26th, 1887.LEWIS McMULLEN, Esq.,
Appraiser:

SIR: Referring to a letter from T. Aubrey Byrne, Special Treasury Officer, under date of the 21st instant, I have to report on the questions propounded, as follows:

1st Question. "Under what authority of law or Department regulations sugar importers or their brokers are entitled to demand re-tests of their sugars after the original test for classification has been made, in the absence of any evidence furnished by them showing that such classification was erroneous; and why said requests are complied with?"

Ans. Par. 33 (S. S. 5725) states that sugars not above No. 13 Dutch standard in color shall be selected by the experts in the examining room according to marks and from origi-

nal samples of each mark, thoroughly mixed; a round, tin sample-box full, properly numbered, shall, with as little delay as possible, be transmitted to the laboratory for polariscopic test. An additional sample, prepared in the same manner, shall be held in the examination room until the final classification is determined. The additional sample (2d) called for in the above paragraph is the one from which re-tests are always made. This sample is intended for, and is retained for, the purpose of correcting any error that might possibly occur in the test of the 1st sample. The experts of this division consider this as clearly in accordance with the spirit and intent of the aforesaid paragraph.

We do not consider the final classification as determined until the return is made on the invoice preparatory to its being forwarded to the custom-house; prior to this action we consider it our duty to take such action, if requested to do so, as will verify the correctness of the original test; if, in our opinion, the test of the original sample of a cargo of sugar shows a lower test than the sugar warrants, we have the right (and often exercise it) to test the retained sample, in the absence of any request from the importers for such action.

Question No. 2. "I find that no written requests for re-tests and re-samples of sugars from sugar brokers are on file in the 8th division of the appraiser's office prior to March 1, 1885. Will you please inform me if written requests from sugar importers or their brokers were required or made previous to that date, and if so, why they are not on file, and if destroyed, by whose authority? Please furnish copy of official order permitting or directing their destruction."

Ans. Requests for re-tests and re-samples from sugar importers and their brokers have been made from the time the act of March 3d, 1883 (S. S. 5725), went into operation. We have no copy of official order permitting or directing their destruction. Requests for re-tests and re-samples were, I am informed, considered by Frank Hay, my predecessor as asst. appraiser, as simply memoranda, and, after the return of an invoice to the custom-house and its final liquidation, could be considered as waste paper, of no consequence whatever, and were by his instructions treated accordingly. The test-book was considered as ample and sufficient record, containing, as it does, full and complete account of all samples, re-samples, tests, re-tests, etc.

Question No. 3. "I have also to respectfully request that you will inform me by what authority of law when in the classification of sugars at this port written or verbal requests are made by sugar brokers for re-tests and re-samples, and particularly in cases where as many as three and four tests of the same sample of sugar have been made, and where the original or first test for classification was lowest, said lowest test is invariably accepted by you as the test for classification without regard to the results ascertained by subsequent tests made in conformity with said written or verbal requests of the sugar brokers, and which would advance the classification for duty, if considered."

Ans. As to test accepted for classification, I desire to state that it is a well-known and scientific fact that the 2d or retained sample will on account of the drying out (caused by evaporation of moisture) test higher than the original or first sample. If the test of the 1st sample is correct, long experience has shown that the 2d or retained sample will always show a somewhat higher test.

It will be an act of injustice to hold the importers to the increase as shown in the test of a retained sample, especially so when in a great many instances, owing to the great amount of work on hand, several days intervene before a re-test can be procured. If the test of a retained sample were to show a great variance between that and the original, the officers of this division would proceed to re-sample the entire cargo in accordance with (S. S. 5858) circulars of August 13, 1883. If on a re-sample a higher polariscopic test were to be shown than the original the importers would be obliged to accept the latter test as a base for classification.

Very respectfully,

THOMAS S. TICE,
Asst. Appraiser 8th Division.

EXHIBIT 178 B.

NEW YORK, July 27, 1887.

Asst. Appraiser T. S. TICE states as follows:

This letter that you hand me, dated July 26, addressed to Appraiser McMullen by me as asst. appr., and by that officer referred to Mr. T. Aubrey Byrne, special Treasury officer, is in answer to your communication of the 21st instant addressed to him, was not compiled by me, neither did I make any suggestion or give any information whereby it was made up. I think I handed your letter requesting certain information, dated the 21st inst., above referred to, to Examiner Remsen, but it might have been to Clerk Trainer. Clerk Trainer wrote out the letter, but when he handed it to me I asked

him if he had shown it to Mr. Remsen, and if he, Mr. Remsen, was satisfied as to its correctness, to which he replied that he was perfectly satisfied. I signed the letter officially as prepared by Clerk Trainer and Examiner Remsen.

THOMAS S. TICE.

Sworn to and subscribed before me this 27th day of July, A. D. 1887.

T. AUBREY BYRNE,
Special Treasury Officer.

EXHIBIT 178 C.

NEW YORK, July 27, 1887.

Examiner REMSEN states as follows:

The letter just shown me addressed to the appraiser by Ass't Appraiser Tice, under date of July 26, 1887, in reference to the law or authority permitting importers and brokers to demand re-tests of sugar classifications, etc., was compiled by Clerk Trainer, of the 8th division, and myself, and presented to Ass't Appraiser Tice for signature.

A. G. REMSEN,
Exr. 8th Div.

Sworn to and subscribed before me this 27th day of July, A. D. 1887.

T. AUBREY BYRNE,
Special Treasury Officer.

EXHIBIT 178 D.

NEW YORK, July 27, 1887.

CHAS. H. TRAINER, sampler and acting clerk, 8th division, states as follows:

I identify the letter handed me by you, which is addressed to the appraiser of the port by Asst. Appraiser Tice, under date of the 26th instant, which letter was composed by Examiner Remsen and myself and written by me, and is a reply to your letter of the 21st instant addressed to the appraiser, relative to the law or authority permitting the granting of re-tests on demand of importers and their brokers, and other matters pertaining thereto, said letter having been referred by the appraiser to the assistant appraiser for reply.

CHAS. H. TRAINER.

Sworn to and subscribed before me this 27th day of July, A. D. 1887.

T. AUBREY BYRNE,
Special Treasury Officer.

EXHIBIT 205.

COUNTY, CITY, AND STATE OF NEW YORK, ss:

This is to certify that I, Charles F. Taylor, of New York City, N. Y., did on December 13th, 1886, receive from Mr. T. Aubrey Byrne three (3) samples of raw sugar, and was requested by him to take the same to Messrs. Sherer Bros., chemists, 122 Front street, New York City, and to obtain "close tests" by polariscope on the three samples.

On the same day, at 4.30 p. m., I went to the laboratory of Messrs. Sherer Brothers, 122 Front street, but found that the chemists had gone for the day.

At 9.40 a. m., Dec. 14th, '86, I again called at Sherer Bro.'s laboratory, and asked the young man who waited upon me to have Mr. Sherer make close tests on the three samples which I presented to him; this he promised should be done, requesting me to call at 12 o'clock the same day for the results of the tests; he remarked that this was the first transaction they (Sherer Bros.) had had with my employers, I having previously informed him that I was in the employ of W. H. Power, of the Produce Exchange.

At 11.57 a. m. the same day I called for the tests and received the "certificate of polarization" annexed and marked "A," which, when presented to me, was printed on the bottom "Sherer Brothers." I then paid him his charge for the work, three dollars (\$3), and asked him for a receipt, which he gave, annexed and marked "B." He stamped both certificate and receipt with Sherer Bros.' office stamp. I asked him to sign the receipt and certificate, at first he objected, but after a little pressing he signed

the name of "Sherer Bros." to both. He gave me to understand that one of the Sherers had made the tests. I then took the samples of sugar and left the place.

On or about December 27th, 1886, I again called at the laboratory of Sherer Bros. and ask the young man I had previously met there who had made the tests on the samples I had previously brought him. He recalled the circumstance, and said he would look the transaction up and see who did make those tests. After referring to his books he said that he made them, as "Mr. Sherer was away that day." I said, "Your name is Mr. Kese, is it not?" He answered, "Yes." I said, "I asked you for Mr. Sherer's tests on those samples, as there was to be arbitration on the results." He replied, "Mr. Sherer is only here in the mornings. The rest of the day he is out appraising cargoes."

On January 5th, 1887, I called again at Sherer Bros.' laboratory, at 10.40 o'clock a. m., and handed to the same man I had met there before two (2) samples of sugar, requesting that Mr. Sherer personally make the tests. He said he would give the samples to Mr. Sherer when he came in, which would "be about noon or late in the afternoon." I said I would call about 4.30 p. m.

I did not call until 10 o'clock the next day, Jan. 6th, and I asked for the samples which I left for Mr. Sherer to test. He said, "Mr. Sherer has not tested these samples, and if you want his personal test you must take them to the U. S. laboratory, Washington street, where he may give you his personal test," adding that "Sherer has no connection with this place." I made no reply, took the samples, and left, for he, Kese, was in rather a flurried state, showing evident feeling in the matter, as though I had doubted his word.

I forgot to state that during my call at Sherer Bros.' place, on December 27th, '86, I said to him that I was informed that the usual price for testing was 75c. for each sample. He answered that 75c. per sample was the price for testing a large quantity, say, from 25 to 75 per week; for instance, such quantities as they received from Howells & Co. The reason I referred to the price was because he had charged me one dollar (\$1) per sample, which I paid with money given me by Mr. T. Aubrey Byrne for this purpose.

The above is a true statement of the facts as they occurred; in testimony of which I affix my hand and seal this twelfth day of January, A. D. 1887.

CHAS. F. TAYLOR.

Sworn to before me this 12th day of January, 1887, by Chas. F. Taylor, to me personally known and known to me to be the same person who executed the above instruments.

THEO. C. KOBEE,
Notary Public.

Witness by me this day, Jan'y 12th, 1887.

W. D. HOWDEN.

Certif. filed in N. Y. County.

A.

SUGAR CERTIFICATE.

[Sherer Brothers, analytical chemists, laboratory for sugar analysis, 122 Front street, Rooms 16 and 17.]

NEW YORK, Dec. 14, 1886.

Mr. W. H. POWER:

[T. A. B.

We hereby certify that we have examined the samples of "sugar" marked as below, and find them to contain as follows:

(27017)

Marks.	Cane sugar per cent- age.
914 Hoilo, fr. S. and M.	80.4
931	82.8
309 Centrif., W. and H.	96.5

SHERER & BROS.
SHERER BROTHERS,
Analytical Chemists,

B.

NEW YORK, Dec. 14th, 1886.

[T. A. B.]

Mr. W. H. Power to Sherrer Bros., Dr.

[Analytical and consulting chemists, 122 Front street, rooms 16 and 17.]

For 3 Det cane sugar ----- 3.00

12, 14, '86. Paid.

SHERER BROS.

EXHIBIT 211.

B'KL'N, Oct. 17, '87.

Mr. T. AUBURY BYRNE:

DEAR SIR: The following are the answer to the question of yours of Sep. 28, '87:

1st. Not 86 North 1st street, but 66 and 68 North 1st, B'kl'n.

2nd. Sherrer Bros. leased the premises; John A. and Edward Sherrer.

3rd. The lease was made out for one year to the first of May, 1885. They did not pay April month and left their machinery on the premises until the first of June, 1885, when the mortgage was foreclosed by the A. C. Keeney estate.

4th. Sherrer Bros. commenced to pay rent June, 1884. March, 1885, was the last month they paid. The month of April was never paid. They left their machinery in the premises all the month of May, consequently holding possession all the months, and on the 1st, or after the mortgage was foreclosed.

5th. I brought a suit as my mother's agent for (\$150) one hundred and fifty dollars, being two months' rent, for the months of April and May, 1885. We expected to collect for these two months, as they held possession.

6th. I had all the dealings with Sherrers; mostly with John A. Sherrer; I had very little to do with Edward, the Turkish consul.

7th. As I most always did the business with John A. Sherrer, I consequently recognized him as the principal; I don't remember of Edward Sherrer having paid rent to me personally or otherwise.

8th. The rent was paid monthly in advance; sometimes by John A. Sherrer, and at other times it was sent down to me by an employé, mostly in a check signed Sherrer Bros., or John A. and Edward Shener. I of course have no checks, as I always had them turned into cash.

9th. The Sherrer Bros. commenced to manufacture about June, 1884, and closed Mar., 1885.

10th. I saw both John A. and Edward about the premises and judged they both gave orders one way or another towards the manufacture of the bronze powder.

John A. Sherrer came most every day; Edward did not come so often. They came at different times of the day. I think it was mostly in the morning; oftentimes twice a day.

11th. I have no card or printed matter of any kind; should I come across any will send it to you.

12th. I have seen the powder taken away, or I supposed it was such, as it was packed in boxes. I don't know of any firm whom they sold it to; had I known of this matter sooner I could have found out. Don't know what kind of a business they did, but they made a lot of powder.

13th. The A. C. Keeney estate held a chattel mortgage, which they foreclosed June, 1885.

14th. The bills were made out to Sherrer Bros.

15th. I understood Sherrer Bros. bought out the Manhattan Bronze Powder Co., and think they call it the Atlantic Bronze Powder Co.; am not sure.

16th. I sued John A. and Edward Sherrer.

17th. John A. Sherrer makes a false statement when he says he paid April month, and as they held possession of the premises I sued for the two months; *none of this has been paid.*

18th. I called several times at the appraiser's office and saw both John A. and Edward in different offices. I considered both of them liable for the rent, hence the suit; but as I stated before, John A. Sherrer was the one I did the most business with.

19th. I also called several times at their office on Front street, New York. The rent of these premises was with steam-power, and was very cheap, considering the amount of power they used, and was a serious loss to my mother, she being a widow, and it was all she had to depend upon for a living and to pay her interest, taxes, etc., with.

Trusting this will be satisfactory, I am, truly, yours,

BENJ. C. WAITE.

P. S.—Do you think there is any chance of getting this money? Kindly let me know.
Yours, &c.,

B. C. W.

EXHIBIT 211 $\frac{1}{2}$.

BROOKLYN, N. Y., Nov. 19, 1887.

MR. T. AUBREY BYRNE,

Special Treasury Officer:

SIR: The following are the answers to the questions of your communication of September 28th last:

First. The location of the bronze powder factory operated by the Messrs. Sherer was at 66 and 68 North First street, Brooklyn, the ground floor being occupied by me for my business.

Second. Sherer Bros. leased the premises, viz, John A. and Edward Sherer.

Third. The lease was made out for one year to the 1st of May, 1885. They did not pay the rent for April, 1885, and left their machinery on the premises until the 1st of June, 1885, when the mortgage was foreclosed by the A. C. Keeney estate.

Fourth. Sherer Bros. began paying rent in June, 1884. March, 1885, was the last month's rent they paid, and as they did not pay the rent for April, and left their machinery on the premises during the month of May (thus occupying the premises), they were indebted for two months' rent up to the time the mortgage was foreclosed.

Fifth. I brought suit as my mother's agent for \$150, the amount of rent for the two months mentioned.

Sixth. I had conducted all the business transactions with them as my mother's agent; mostly with John A. Sherer, and had very little to do with Edward Sherer.

Seventh. As I most always transacted all business with John A. Sherer, I naturally recognized him as the principal. I do not remember that Edward Sherer ever paid me any rent personally or otherwise.

Eighth. The rent was paid monthly in advance, sometimes by John A. Sherer, and at other times it was sent downstairs to me by an employé, mostly in a check signed Sherer Bros., or John A. and Edward Sherer. As I of course deposited the checks I have none in my possession.

Ninth. Sherer Bros. commenced manufacturing about June, 1884, and closed March, 1885.

Tenth. I saw both the Sherers about the premises, and judged from observation that they both had direction of the manufacture of the bronze powder.

Eleventh. John A. Sherer was at the factory almost every day. Edward Sherer did not come so often. They came at different times of the day, but mostly in the mornings and sometimes twice a day.

Twelfth. I saw the powder taken away, or I supposed it was such, as it was packed in boxes. Do not know to whom they sold it, but they shipped considerable.

Thirteenth. The A. C. Keeney estate held a chattel mortgage on the fixtures and machinery.

Fourteenth. The bills for rent were made out to Sherer Bros.

Fifteenth. I understood that Sherer Bros. bought out the Manhattan Bronze Powder Co., and think they called it the Atlantic Bronze Powder Co., but am not certain.

Sixteenth. I entered suit against John A. and Edward Sherer.

Seventeenth. John A. Sherer makes a false statement when he says he paid April rent.

Eighteenth. I called several times at the appraiser's office, and saw both John A. and Edward Sherer in different offices. I considered both of them liable for the rent, hence the suit against both, but as stated before. I did most of the business with John A. Sherer.

Nineteenth. I also called several times at the office of Sherer Bros., No. 122 Front st., New York, while endeavoring to collect this rent.

Twentieth. The rent of the premises was with steam power and was very cheap, considering the amount of power used, and was a serious loss to my mother, she being a

widow, and who is entirely dependent upon this income for her living, and also out of which she has interest, taxes, and insurance to pay.

BENJ. C. WAITE.

Sworn and subscribed to before me this nineteenth day of November, A. D. 1887.

LEON HIRSH,

Notary Public, Kings Co., N. Y.

The erasure and interpolation in question fourth, fifth line, were made before signing.

L. HIRSH,

Notary Public.

[In original copy the words "for which," after the words "two month's rent," were erased and "up to the time" substituted.—Printer.]

STATEMENT 000.

NEW YORK, July 29, 1887.

Examiners MCELWEE, FOSKETT, and Samplers FREEBORN and FLOCKEN, having been detailed by Asst. Appraiser Tice, at the request of Special Treasury Officer Byrne, to take samples from certain so-called damage mats of Iloilo sugar, upon which application for damage had been made (see copy of same annexed), states as follows:

Upon proceeding to Woodruff's stores, Brooklyn, where the cargo of the barque *Josie Troop* had been unloaded and stored, we made inquiry of the storekeeper (Roberts) as to the whereabouts of the alleged damage package of said cargo and their number. He informed us they were in stores L and P and numbered 3,350 mats, the damage being claimed on 3,500 mats or bags. (See copy of damage application.)

On proceeding to said stores, accompanied by the said Government store-keeper above alluded to, he designated three separate piles, which had been laid out as damaged sugar, but not stencilled as such; by careful estimate of the three piles they aggregated in our judgment about 1,500 mats.

In accordance with instructions of Special Treasury Officer Byrne, we proceeded to sample all mats or bags in these three piles, which showed also traces of previous sampling or cutting. The samples taken by us are herewith submitted.

We found that only 19 mats of these three piles gave any evidence of being previously sampled or cut, and these 19 mats were confined exclusively to the two piles in store L. The mats, 19 in number, as mentioned, were identified by the Government store-keeper as those which had been sampled by Damage Examiner John Sherer previously. These samples had been drawn from the ends or "ears" of the mats, while the regulations require that all samples of sugars shall be drawn from the centre of the package as per paragraph 18.

In this connection we would state that all samples of sugars drawn from bags or mats at the ends or ears, as above stated, must necessarily be of a lower grade than that which is drawn from the center of the package. We also consider that the requirements in paragraph 44, as to "care being exercised that the samples so taken fairly represented the proportion and degree of damage each grade in the different classes," in this instance has been ignored, for the reason that 19 mats, in our estimation, is in no sense a proper representation of the 3,350 mats upon which damage is claimed; neither do we consider it a fair estimation of the 1,500 mats of damaged packages as shown us by the store-keeper. The dock man who stored them away also pointed out these 1,500 mats to us as those which had been laid out from this cargo as damaged. We all, with the exception of Sampler Flocken, saw marks "A," "B," and "C" in the damaged piles, which is clearly in violation of paragraphs 13 and 14.

We proceeded to draw what in our estimation was a fair representation of 1,500 bags (so-called damaged bags), namely: 5 per cent. being 75 samples. In fact we drew 85 samples, taking them promiscuously from the three piles, and these are the samples which we hand you, which were sealed up by us last night and are intact this morning. These samples were drawn between 4.30 and 6.30 p. m. of yesterday, July 28th. The larger proportion of these 1,500 alleged damage mats were not, in our opinion, deserving of any consideration as being damaged. Examiners Foskett and McElwee herein separately state that upon careful examination they fail to find any damaged packages in the pile of store P, estimated to number 700 mats.

Before closing this statement we would state in addition that from the 19 damaged mats, from which samples had been drawn by Damage Examiner Sherer as stated, we drew a sample from each one from as nearly the center as possible. Those samples we hand you, marked "A," No. 710. From the 5 per cent. of the 1,500 mats of the alleged

damaged sugar taken promiscuously from the three piles we drew 85 samples. These we hand you, marked "B," No. 711.

It is our opinion that the 19 sample mats represented by sample marked "A" were the worst packages of the alleged 3,500 upon which damage is claimed, and these are damaged but very slightly. All the balance of the alleged damaged mats, represented by sample marked "B," does not show sugar upon which the importer is entitled to damage.

For the information of the hon. Secretary of the Treasury we respectfully submit the following:

First. As per importer's application for damage allowance on 3,500 bags, we are informed by the storekeeper that there was only 3,350 bags.

Second. We find upon examination there are only about 1,500 bags.

Third. That marks A, B, and C were promiscuously scattered in the alleged damage piles.

Fourth. We found that but 19 bags had been sampled by the damage examiner as far as we could see, and these samples irregularly drawn from the ends of the package.

Fifth. None of these alleged damage packages had been stencilled "Damaged."

Sixth. We were informed by the U. S. storekeeper that these alleged damaged packages had not been disturbed since the damage examiner had drawn his samples.

Seventh. This being the fact, the samples, as drawn by the damage examiner, could not properly have been done.

This statement has been made in reply to interrogatories propounded by Special Treasury Officer Byrne.

We will further add, that from our experience and knowledge of the labor and difficulties surrounding and attending the sampling of sugars, that it would be to the best interests of the revenue in every particular that the sampling of damaged sugars should come under the jurisdiction of the asst. appraiser of the 8th division and be always performed by his officers; and that every package of sugar upon which damage is claimed should be sampled. With this exception, the sampling regulations which apply to the sampling of sound sugars should apply to damaged sugars.

We are further strongly of the opinion that any application for damage on sugars should be made by the importer or his representative within 24 hours after the completion of the weighing of the cargo.

JNO. STUART McELWEE, *Examiner.*

BYRON D. C. FOSKET, *Examiner.*

A. B. FREEBORN, *Sampler.*

N. FLOCKEN, *Sampler.*

Sworn and subscribed to before me this 29th day of July, A. D. 1887.

T. AUBREY BYRNE,

Special Treasury Officer.

EXHIBIT DD.

NEW YORK, July 14, 1887.

SAMUEL F. BALL, sampler, detailed as examiner, states as follows:

My duties are confined to the polarization and testing of sugars. On June 10, '85, or thereabouts, I was appointed as opener and packer, and Oct. 13 was made a sampler. I was detailed when first appointed to the laboratory, and have been employed there ever since, and have acted in the capacity of an examiner ever since my first appointment. I am not allowed to officially sign the laboratory certificates of tests made by me from the fact, as I presume, that I am not officially an examiner. Theodore G. Moore, an examiner, also reads the polariscope and signs the certificates of tests made by him.

I first commenced to test sugars in the laboratory of Sherer Bros., chemists, 122 Front st., this city, about 1882 or 1883, and remained with them in their employ for about two years, when I went to the Brooklyn Sugar Refinery as chemist.

I am 23 years of age. While in the employ of Sherer Bros. I acquired the practical knowledge of testing sugars, being instructed particularly and altogether by Mr. W. J. Rigney, chemist at the Messrs. Sherer Bros. I understood I was working for the firm of Sherer Brothers, and although I was in the employ of the said firm two years or thereabouts, I am unable to state whether Mr. Rigney was a member of the firm or an employé, although I was under his direction. I did not receive instruction of any kind, either from Dr. Edward Sherer or Mr. John Sherer, while I was in the employ of said Sherer Bros. I have never seen Dr. Edward Sherer in the office of Sherer Bros., at 122 Front st., while I was in their employ. He might have come in the place when I was out. I have seen Mr. John Sherer there occasionally. I believe he had damage samples which he brought to the laboratory of the firm in question and tested them there. I have assisted him in these tests.

I did not read the polariscope on Mr. Jno. Sherer's test of damage samples, but I mixed the samples and assisted generally. He might appear at the laboratory there at any time of the day with the samples of damaged sugars. When we were crowded on work at Sherer Bros.'s laboratory we tested sugars at night. I can not swear that he has not tested damaged sugars at night. The office immediately adjoining the sugar laboratory of Sherer Bros., at 122 Front street, is the office of the Turkish consul, and Dr. Edward Sherer is the Turkish consul, and there is a door connecting the office of the laboratory with that of the consulate, and as a matter of fact that door remains open unless there are visitors in the consulate, and it does not follow that the door would be closed when the visitors were there.

I have never seen the Turkish consul in his office at any time. There was a bell attached to the outside door of the consulate, which we could always hear if any one entered the consul's office. If I were testing sugars at the polariscope no one could get into the consul's office unobserved by me, generally speaking. If my back was turned to the consul's room then the bell would be the only indication of any entrance to the consul's room. I have done work in the consular office, stamping clearance papers, etc., for the Turkish consul.

To the best of my knowledge and belief, Dr. Edward Sherer was at that time, and is at the present, the Turkish consul at the port of New York, although I do not wish to make affidavit to that effect.

I have heard people call at the office and ask for the Turkish consul and presumed they meant Dr. Sherer, and referred them to Mr. W. J. Rigney, as Dr. Sherer did not visit the consulate, and I have never seen him in Sherer Bros.' laboratory.

For a time there was a man named Keyes also employed in Sherer Bros.' laboratory, who was a relative of the Sherers. I will not state positively that I have not been in Sherer Bros.' laboratory during the past twelve months. About January 15th, last, I was in their laboratory and saw Burton Keyes there, the aforementioned relative, and a boy. Mr. Burton Keyes, I think, succeeded Mr. Rigney in the laboratory of Sherer Bros. I do not, and never did know who constitute the firm of Sherer Bros., "analytical and consulting chemists." The analytical business of the firm in question while I was with them was principally the testing of sugars. I think I heard Mr. Rigney speak of the bronze powder that Dr. Sherer made. I never knew that Dr. Sherer was engaged in the manufacture of bronze powder. I generally use Dr. Sherer's polariscope when I test sugars.

We have no other quartz-plates in the laboratory, to my knowledge, other than one marked 96 and one marked 99.1. Another plate, however, marked 99.1-2, is, I believe, in Boston, but I do not know that it came from this laboratory. I can not tell which of the two quartz-plates, 96 or 99.1, is the standard, as I use either. I have heard it stated that the 99.1-2 plate is marked correctly, so Dr. Sherer has informed me. Mr. Rigney and I have been working together for the last ten days, and in that time we have made about five re-tests. If I were testing sugar for refineries, as I have in the past, and found a variance of two-tenths ($\frac{2}{10}$) in the reading of the same solution, I would make a third reading. This is not done in the U. S. laboratory. If the reading in the laboratory is 95.9 and 96.1, the tubes are re-read, because they are not in the same classification. In explanation, if the second reading was maintained, both tubes reading 96.1, then the duty would be assessed at 97. If I read the sugar 96.5 and the second reading is 96.4, then there would be no question in my mind as to the value of the difference of one-tenth, because it makes no difference in the classification for duty. When one-tenth of a degree will throw the classification for duty up one full degree, viz, $\frac{1}{10}$ cents per pound, and it is $\frac{1}{10}$ I let it stand as one-tenth, although it throws the duty up one full degree. The way I give the merchant the benefit of the doubt is, if a question arises in my mind whether a sugar polarizes for instance 95 or 95.1, I will set the test for classification at 95.

I decline to answer as to whether Mr. Jas. S. Dale, an employé of the sugar room of the appraiser's store, loans money to other employés in the building, because I consider it an improper question. I also decline to answer whether or not I have borrowed money from Mr. Dale. I also decline to state whether I have heard any of the employés state that they had borrowed money of him.

I subscribe to the oath for my month's pay before the end of the month and before the services have been performed by me. I understand this to be the custom here.

I have never seen Sugar-Broker Burt in the laboratory. I have private reasons, which I do not propose to state, for saying that I am under no obligations, directly or indirectly, to Sugar-Broker Burt.

I know Mr. Theo. G. Morse, an examiner in the laboratory, and consider him capable of polarizing sugar. He signs certificates of tests.

S. F. BALL.

Sworn to and subscribed before me this 14th day of July, A. D. 1887.

T. AUBREY BYRNE,
Special Treasury Officer.

N. Y., July 15, 1887.

SAMUEL F. BALL. Further examination:

I have had no conversation with any one in the laboratory relative to my or their examination on the sugar investigation since my first being sworn.

S. F. BALL.

Sworn and subscribed before me this 15th day of July, 1887.

T. AUBREY BYRNE,
Spl. Treas'y Officer.

*Diagram made of Sherer Bros.' laboratory and Turkish consul's office, made by Sam'l F. Ball,
July 14, 1887.*

